



**Utah Governor's Office of Planning and Budget**



# ECONOMIC OUTLOOK 2012

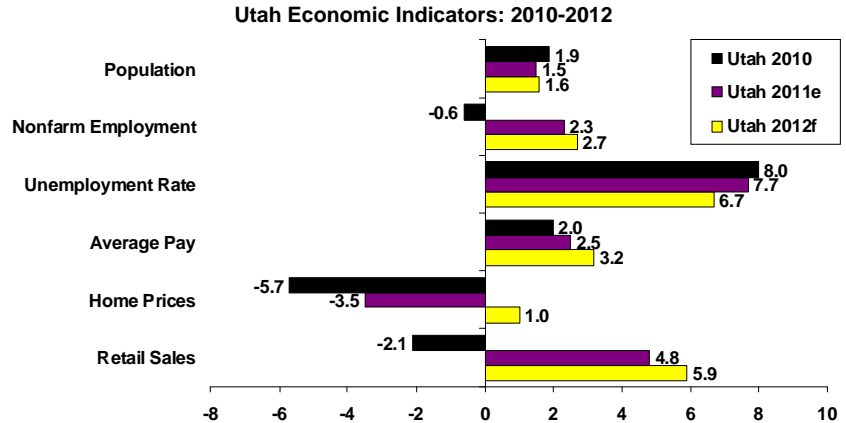
# Excerpts



State of Utah  
Governor Gary R. Herbert

## Economic Outlook

- Overview of the Economy**—Utah typically grows more rapidly than the nation after recessions, and this pattern is taking hold in the current recovery. For the U.S., employment grew 0.9% in 2011, compared to 2.3% for Utah. While employment increased during 2011, Utah's unemployment rate improved, falling to 7.7%. Though housing stabilized, with building permits at 8,700 in 2011, home-building is not leading the economy as it does during a typical recovery.
- Outlook 2012**—Economic growth in Utah is expected to accelerate during 2012. Employment is forecast to increase 2.7% for the year as a whole, with larger increases as the year progresses. Housing permits are forecast to move up slightly from historic lows. As the overall unemployment rate declines to 6.7%, the improving labor market will support increased consumer spending and a strengthening recovery.



Source: Council of Economic Advisors' Revenue Assumptions Working Group e = estimate f = forecast

## Highlights

- Construction**—The value of permit authorized construction in Utah in 2011 was estimated at \$3.5 billion, slightly higher than the \$3.3 billion in 2010. In inflation-adjusted dollars, the value of authorized construction last year was at the lowest level since 1992. The 6% increase in 2011 reverses four consecutive years of decline. In constant 2011 dollars all three major construction sectors improved in 2011. Residential value was up 4.1%, nonresidential value was up 18.9% and additions, alterations and repairs were up 4.2%. It's quite likely the value of permit authorized construction hit bottom in 2010, and 2011 was the beginning of a modest recovery. The number of permits issued for residential units should increase by 14.9% in 2012 to 10,000 units with a construction value of \$2.0 billion. On the nonresidential side, the value of permit authorized nonresidential construction is projected to remain at \$1.1 billion in 2012.
- Tourism**—Utah's travel and tourism sector had a positive year in an economically uncertain 2011. The Utah ski industry experienced the second best season on record with 4,233,064 skier days. During 2011, for the sixth year in a row, national park visitation was up from the previous year as of November 2011. State park visitation was up an estimated 1.3% with visitation of 4.8 million in 2011.
- Exports**—Improving economic conditions in Utah, the nation, and around the globe were reflected in Utah's production and export levels through 2010 and 2011. Utah's total exports rose from \$13.8 billion in 2010 to an estimated \$19.0 billion in 2011, an increase of 37.9%. Exports have been above \$4.0 billion since 2005. Assuming moderate worldwide economic growth and barring any significant collapse in gold value or another financial crises, exports are forecast to grow to \$22 billion in 2012.
- Energy**—For the most part, the energy sector in Utah continued to rebound after experiencing significant recession-related declines in 2009 and 2010. Crude oil production continues to rise as oil prices remain high, while natural gas production hit a new record in 2011 despite modest gas prices. Demand for electricity in Utah remains strong, but lack of demand in the out-of-state markets contributed to declines in Utah's electric generation and resulted in decreases in consumption of coal and natural gas at Utah power plants. Early indications are that 2012 will continue on the path of slow and cautious growth, keeping the energy sector a bright spot in Utah's recovering economy.
- Minerals**—The Utah Geological Survey (UGS) estimates the gross production value of nonfuel mineral commodities and uranium produced in Utah in 2011 totaled \$4.59 billion, an increase of about \$302 million (7.0%) over 2010. The estimated nominal value of nonfuel mineral production (excluding uranium) in Utah was \$4.56 billion in 2011. The relative stability in production and price for most non-fuel mineral commodities predicted for 2012 suggests that the overall value will not change significantly compared to the previous year.

## Rankings

| Demographic              | State Rank | Value                                      | Year      | Economic                   | State Rank | Value    | Year      |
|--------------------------|------------|--|-----------|----------------------------|------------|----------|-----------|
| Population Growth Rate   | 3rd        | 1.9%                                       | 2011      | Rate of Job Growth         | 4th        | 2.5%     | Nov. 2011 |
| Fertility Rate           | 1st        | 2.60                                       | 2008      | Unemployment Rate          | 11th       | 6.4%     | Nov. 2011 |
| Life Expectancy          | 3rd        | 78.7 years                                 | 2000      | Urban Status               | 9th        | 88.3%    | 2000      |
| Median Age               | 1st        | 29.2 years                                 | 2010      | Median Household Income    | 8th        | \$59,857 | 2008-2010 |
| Household Size           | 1st        | 3.10 persons                               | 2010      | Average Annual Pay         | 37th       | \$37,980 | 2008      |
| <b>Social Indicators</b> |            |  |           | Per Capita Personal Income | 46th       | \$32,473 | 2010      |
| Violent Crime            | 6th        | 212.7 per 100,000 people                   | 2009      |                            |            |          |           |
| Poverty Rate             | 3rd        | 9.1%                                       | 2008-2010 |                            |            |          |           |
| Educational Attainment   | 7th        | 90.6% of persons 25+ w/ high school degree | 2010      |                            |            |          |           |

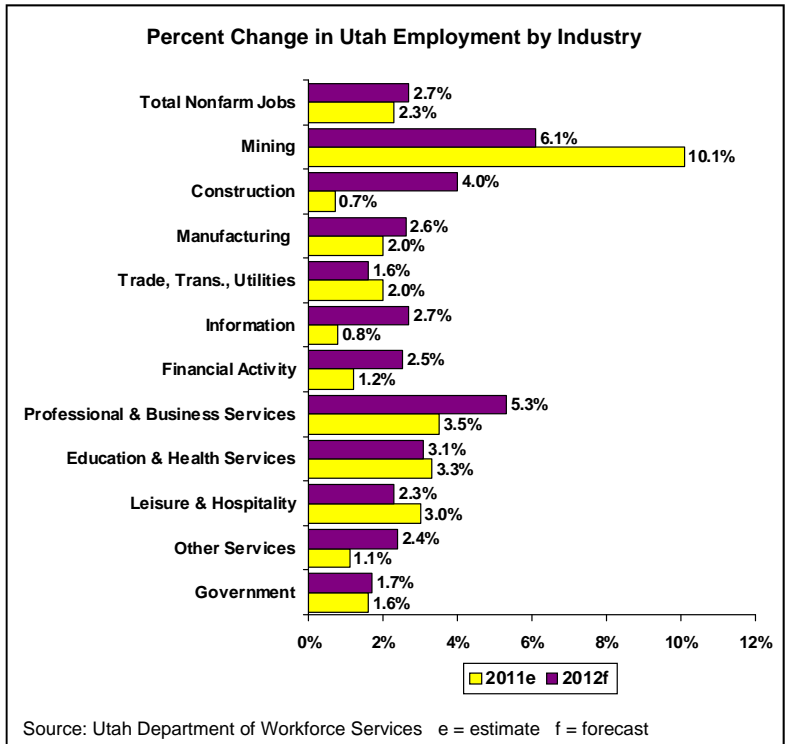
Notes: 1. Rankings are based on the most current national data available for all states, and may differ from other data.  
2. Rank is most favorable to least favorable.

## Employment and Wages

- **Employment**—Total Nonfarm employment increased by 27,000 jobs (2.3%) in 2011 and is expected to increase 32,800 jobs (2.7%) in 2012.
- **Unemployment**—Utah's 2011 unemployment rate was 7.7%, down from 8.0% in 2010. In 2011, there were an average of 106,900 unemployed Utahns. The unemployment rate is anticipated to decline to 6.7% in 2012.
- **Average Wage**—In 2011, Utah's average annual nonfarm wage was \$39,811, an increase of 2.5% from 2010. The average annual wage is forecast to increase 3.2% in 2012.

|   |                       |
|---|-----------------------|
| <b>Total Nonfarm Employment (2012f)</b>   | <b>1,241,300</b>      |
| Change (2011-2012)                        | 32,800                |
| Percent Change (2011-2012)                | 2.7%                  |
| Unemployment (2012)                       | 6.7%                  |
| <b>Total Nonfarm Wages (2012f)</b>        | <b>\$51.0 billion</b> |
| Percent Change (2011-2012)                | 6.0%                  |
| <b>Average Annual Wage (2012f)</b>        | <b>\$41,070</b>       |
| Percent Change (2011-2012)                | 3.2%                  |
| <b>Total Personal Income (2012f)</b>      | <b>\$99.4 billion</b> |
| Percent Change (2011-2012)                | 4.7%                  |
| <b>Per Capita Personal Income (2012f)</b> | <b>\$38,129</b>       |
| Percent Change (2011-2012)                | 5.7%                  |

f = forecast



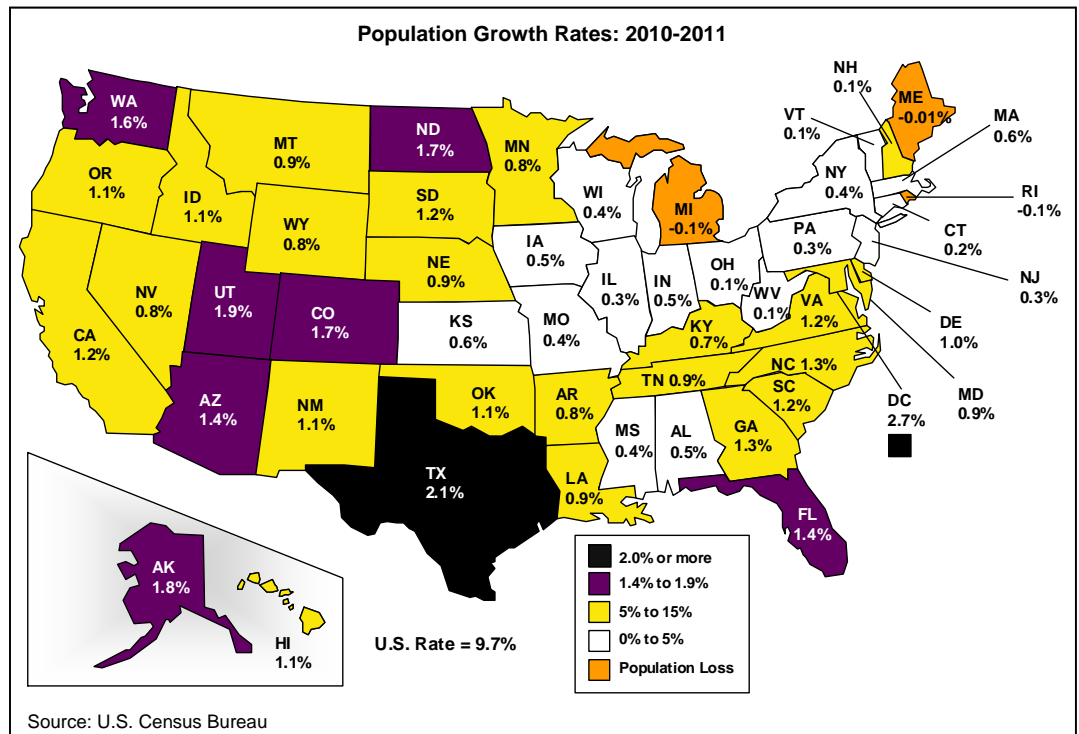
## Demographics

- **2011 Census Bureau National and State Population Estimates**—At the end of December 2011, the U.S. Census Bureau released the first population estimates following the 2010 Census. The total July 1, 2011 population estimate for the United States was 311,591,917. This represents a population increase of 2,846,379 people or 0.9% from 2010. This is the slowest national growth since the 1940s. Utah's 2011 total population estimate was 2,817,222. This represents a population increase of 53,337 people or 1.9% from 2010, ranking Utah third among states and the District of Columbia in population growth. Utah grew more than twice as fast as the nation from 2010 to 2011.

|                           | Utah      | United States |
|---------------------------|-----------|---------------|
| 2010 Census Population    | 2,763,885 | 308,745,538   |
| 2011 Population Estimate  | 2,817,222 | 311,591,917   |
| 2010-2011 Percent Change  | 1.9%      | 0.9%          |
| 2010-2011 Absolute Change | 53,337    | 2,846,379     |

Source: U.S. Census Bureau

- **Rate of Growth**—The majority of states that experienced the highest growth rates from 2000 to 2010 are located in the West and South regions of the United States. The top ten states or equivalent with the highest growth rates include: District of Columbia (2.7%), Texas (2.1%), Utah (1.9%), Alaska (1.8%), Colorado (1.7%), North Dakota (1.7%), Washington (1.6%), Arizona (1.4%), Florida (1.4%), and Georgia (1.3%).





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# Preface

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The *2012 Economic Outlook* is the second publication in what is an annual companion piece to the *Economic Report to the Governor* series, which is now published in the fall. Through the last two decades, the *Economic Report to the Governor* has served as the preeminent source for data, research, and analysis about the Utah economy. The *Economic Outlook* will focus on an estimated summary of the previous year and a forecast for the forthcoming year.

The primary goal of the report is to improve the reader's understanding of the Utah economy. With improved economic literacy, decision makers in the public and private sector will be able to plan, budget, and make policy decisions with an awareness of how their actions are both influenced by and impact economic activity.

**Collaborative Effort/Contributors.** Authors, who represent both public and private entities, devote a significant amount of time to this report, ensuring that it contains the latest economic and demographic information. While this report is a collaborative effort which results in a consensus outlook for the next year, each topic is the work of the contributing organization, with review and comment by the Governor's Office of Planning and Budget. More detailed information about the findings in each chapter can be obtained by contacting the authoring entity.

**Statistics Used in This Report.** The statistical contents of this report come from a multitude of sources which are listed at the bottom of each table and figure. Statistics are generally

for the most recent year or period available. There may be a quarter or more of lag time before economic data become final, therefore 2011 estimates and 2012 forecasts in this report are based on data available as of mid-December 2011. All of the data in this report are subject to error arising from a variety of factors, including sampling variability, reporting errors, incomplete coverage, non-response, imputations, and processing error. If there are questions about the sources, limitations, and appropriate use of the data included in this report, the relevant entity should be contacted.

**Statistics for States and Counties.** This report focuses on data for the state, with occasional data for county geographies. For information about data for a different level of geography than shown in this report, the contributing entity should be contacted.

**Electronic Access.** This report is available on the Governor's Office of Planning and Budget's web site at <http://www.governor.utah.gov/dea>.

**Suggestions and Comments.** Users of the *Economic Outlook* are encouraged to write or call with suggestions that will improve future editions. Suggestions and comments for improving the coverage and presentation of data and quality of research and analysis should be sent to the Governor's Office of Planning and Budget, PO Box 142210, Salt Lake City, Utah 84114-2210. The telephone number is (801) 538-1027 and the email address is [dea@utah.gov](mailto:dea@utah.gov).





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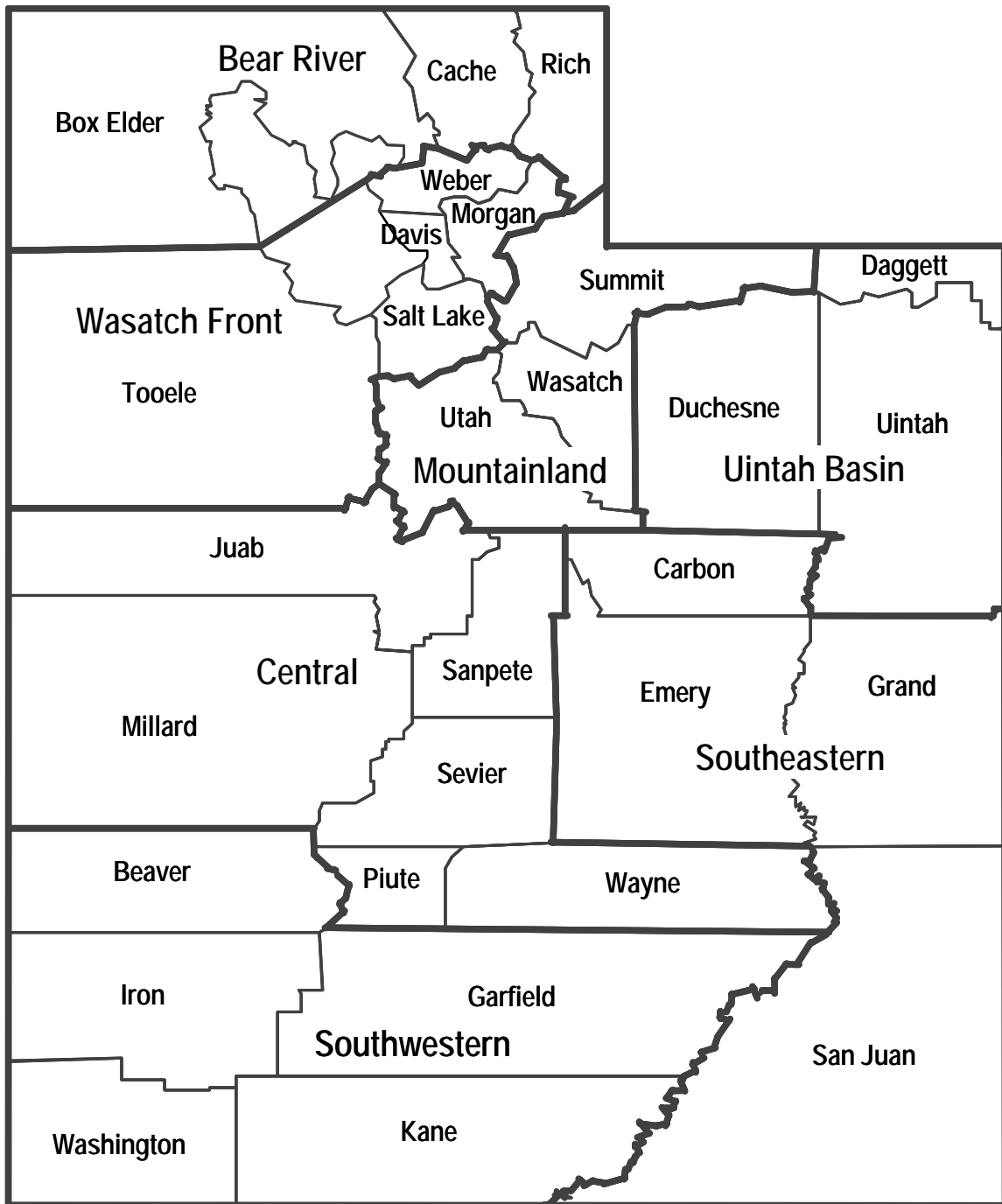
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Cover Photo courtesy of Effie Johnson



# Map of Utah

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# Economic Indicators for Utah and the United States: December 2011

| ECONOMIC INDICATORS                          | UNITS                  | 2009     | 2010     | 2011     | 2012     | PERCENT CHANGE |      |       |
|--|------------------------|----------|----------|----------|----------|----------------|------|-------|
|  |                        | ACTUAL   | ACTUAL   | ESTIMATE | FORECAST | 2010           | 2011 | 2012  |
| <b>PRODUCTION AND SPENDING</b>               |                        |          |          |          |          |                |      |       |
| U.S. Real Gross Domestic Product             | Billion Chained \$2005 | 12,703.1 | 13,088.0 | 13,308.0 | 13,491.4 | 3.0            | 1.7  | 1.4   |
| U.S. Real Personal Consumption               | Billion Chained \$2005 | 9,037.5  | 9,220.9  | 9,414.4  | 9,594.6  | 2.0            | 2.1  | 1.9   |
| U.S. Real Private Fixed Investment           | Billion Chained \$2005 | 1,606.4  | 1,648.4  | 1,757.2  | 1,832.3  | 2.6            | 6.6  | 4.3   |
| U.S. Real Federal Defense Spending           | Billion Chained \$2005 | 695.6    | 718.3    | 704.1    | 680.6    | 3.3            | -2.0 | -3.3  |
| U.S. Real Exports                            | Billion Chained \$2005 | 1,494.0  | 1,663.2  | 1,774.9  | 1,835.5  | 11.3           | 6.7  | 3.4   |
| Utah Exports (NAICS, Census)                 | Million Dollars        | 10,337.0 | 13,809.0 | 19,049.0 | 22,000.0 | 33.6           | 37.9 | 15.5  |
| Utah Coal Production                         | Million Tons           | 21.9     | 19.4     | 19.6     | 20.0     | -11.5          | 1.0  | 2.0   |
| Utah Crude Oil Production                    | Million Barrels        | 22.9     | 24.7     | 25.7     | 26.0     | 7.5            | 4.2  | 1.2   |
| Utah Natural Gas Production Sales            | Billion Cubic Feet     | 405.6    | 387.7    | 410.6    | 415.0    | -4.4           | 5.9  | 1.1   |
| Utah Copper Mined Production                 | Million Pounds         | 619.8    | 566.4    | 581.6    | 578.8    | -8.6           | 2.7  | -0.5  |
| Utah Molybdenum Production                   | Million Pounds         | 23.1     | 28.4     | 30.5     | 29.2     | 23.0           | 7.1  | -4.3  |
| <b>SALES AND CONSTRUCTION</b>                |                        |          |          |          |          |                |      |       |
| U.S. New Auto and Truck Sales                | Millions               | 10.4     | 11.6     | 12.5     | 13.2     | 11.1           | 8.4  | 5.4   |
| U.S. Housing Starts                          | Millions               | 0.55     | 0.58     | 0.59     | 0.67     | 5.6            | 0.4  | 13.3  |
| U.S. Private Residential Investment          | Billion Dollars        | 354.6    | 338.1    | 335.3    | 354.0    | -4.7           | -0.8 | 5.6   |
| U.S. Nonresidential Structures               | Billion Dollars        | 449.9    | 374.4    | 412.0    | 409.4    | -16.8          | 10.0 | -0.6  |
| U.S. Home Price Index (FHFA)                 | 1980Q1 = 100           | 344.4    | 332.3    | 314.9    | 301.5    | -3.5           | -5.2 | -4.3  |
| U.S. Nontaxable & Taxable Retail Sales       | Billion Dollars        | 4,093.2  | 4,354.3  | 4,659.8  | 4,815.8  | 6.4            | 7.0  | 3.3   |
| Utah New Auto and Truck Sales                | Thousands              | 66.2     | 69.1     | 76.2     | 86.0     | 4.4            | 10.2 | 12.9  |
| Utah Dwelling Unit Permits                   | Thousands              | 10.5     | 9.3      | 8.7      | 10.0     | -11.3          | -6.5 | 14.9  |
| Utah Residential Permit Value                | Million Dollars        | 1,674.0  | 1,667.0  | 1,735.0  | 2,000.0  | -0.4           | 4.1  | 15.3  |
| Utah Nonresidential Permit Value             | Million Dollars        | 1,054.3  | 925.1    | 1,100.0  | 1,100.0  | -12.3          | 18.9 | 0.0   |
| Utah Additions, Alterations and Repairs      | Million Dollars        | 660.1    | 672.0    | 700.0    | 700.0    | 1.8            | 4.2  | 0.0   |
| Utah Home Price Index (FHFA)                 | 1980Q1 = 100           | 345.2    | 325.4    | 314.1    | 317.2    | -5.7           | -3.5 | 1.0   |
| Utah Taxable Retail Sales                    | Million Dollars        | 25,600   | 25,061   | 26,255   | 27,804   | -2.1           | 4.8  | 5.9   |
| <b>DEMOGRAPHICS AND SENTIMENT</b>            |                        |          |          |          |          |                |      |       |
| U.S. July 1st Population                     | Millions               | 306.8    | 309.3    | 311.6    | 314.6    | 0.8            | 0.7  | 1.0   |
| U.S. Consumer Sentiment (U of M)             | Diffusion Index        | 66.3     | 71.8     | 66.9     | 68.8     | 8.4            | -6.9 | 3.0   |
| Utah July 1st Population (UPEC)              | Thousands              | 2,723.4  | 2,775.5  | 2,817.2  | 2,861.2  | 1.9            | 1.5  | 1.6   |
| Utah Net Migration (UPEC)                    | Thousands              | 3.7      | 0.8      | 3.5      | 5.0      |                |      |       |
| <b>PROFITS AND RESOURCE PRICES</b>           |                        |          |          |          |          |                |      |       |
| U.S. Corporate Before Tax Profits            | Billion Dollars        | 1,455.7  | 1,819.5  | 1,886.4  | 2,012.5  | 25.0           | 3.7  | 6.7   |
| U.S. Corporate Profit [above less Fed. Res.] | Billion Dollars        | 1,408.4  | 1,747.9  | 1,810.5  | 1,945.7  | 24.1           | 3.6  | 7.5   |
| West Texas Intermediate Crude Oil            | \$ Per Barrel          | 61.7     | 79.4     | 90.6     | 93.6     | 28.7           | 14.0 | 3.4   |
| U.S. Coal Producer Price Index               | 1982 = 100             | 182.1    | 189.3    | 205.8    | 212.3    | 3.9            | 8.8  | 3.1   |
| Utah Coal Prices                             | \$ Per Short Ton       | 28.4     | 30.8     | 35.5     | 37.5     | 8.3            | 15.4 | 5.6   |
| Utah Oil Prices                              | \$ Per Barrel          | 50.2     | 68.1     | 83.0     | 85.0     | 35.6           | 21.9 | 2.4   |
| Utah Natural Gas Prices                      | \$ Per MCF             | 3.38     | 4.23     | 3.90     | 3.85     | 25.1           | -7.8 | -1.3  |
| Utah Copper Prices                           | \$ Per Pound           | 2.34     | 3.49     | 3.80     | 3.25     | 49.1           | 8.9  | -14.5 |
| Utah Molybdenum Prices                       | \$ Per Pound           | 11.5     | 15.9     | 15.5     | 14.5     | 37.9           | -2.5 | -6.5  |
| <b>INFLATION AND INTEREST RATES</b>          |                        |          |          |          |          |                |      |       |
| U.S. CPI Urban Consumers (BLS)               | 1982-84 = 100          | 214.5    | 218.1    | 224.7    | 227.6    | 1.6            | 3.0  | 1.3   |
| U.S. GDP Chained Price Index (BEA)           | 2005 = 100             | 109.7    | 111.0    | 113.4    | 115.0    | 1.2            | 2.2  | 1.4   |
| U.S. Federal Funds Rate (FRB)                | Effective Rate         | 0.16     | 0.18     | 0.11     | 0.10     |                |      |       |
| U.S. 3-Month Treasury Bills (FRB)            | Discount Rate          | 0.15     | 0.14     | 0.06     | 0.06     |                |      |       |
| U.S. 10-Year Treasury Notes (FRB)            | Yield (%)              | 3.26     | 3.21     | 2.76     | 2.32     |                |      |       |
| 30 Year Mortgage Rate (FHLMC)                | Percent                | 5.04     | 4.69     | 4.43     | 4.03     |                |      |       |
| <b>EMPLOYMENT AND WAGES</b>                  |                        |          |          |          |          |                |      |       |
| U.S. Establishment Employment (BLS)          | Millions               | 130.8    | 129.8    | 131.1    | 132.6    | -0.7           | 1.0  | 1.1   |
| U.S. Average Annual Pay (BLS)                | Dollars                | 47,943   | 49,362   | 50,606   | 51,605   | 3.0            | 2.5  | 2.0   |
| U.S. Total Wages & Salaries (BLS)            | Billion Dollars        | 6,270.4  | 6,408.2  | 6,635.9  | 6,844.4  | 2.2            | 3.6  | 3.1   |
| Utah Nonagricultural Employment (DWS)        | Thousands              | 1,188.7  | 1,181.5  | 1,208.5  | 1,241.3  | -0.6           | 2.3  | 2.7   |
| Utah Average Annual Pay (DWS)                | Dollars                | 38,059   | 38,828   | 39,811   | 41,070   | 2.0            | 2.5  | 3.2   |
| Utah Total Nonagriculture Wages (DWS)        | Million Dollars        | 45,242   | 45,876   | 48,111   | 50,980   | 1.4            | 4.9  | 6.0   |
| <b>INCOME AND UNEMPLOYMENT</b>               |                        |          |          |          |          |                |      |       |
| U.S. Personal Income (BEA)                   | Billion Dollars        | 12,168   | 12,530   | 13,157   | 13,567   | 3.0            | 5.0  | 3.1   |
| U.S. Unemployment Rate (BLS)                 | Percent                | 9.3      | 9.6      | 9.0      | 9.0      |                |      |       |
| Utah Personal Income (BEA)                   | Million Dollars        | 87,947   | 90,090   | 94,955   | 99,418   | 2.4            | 5.4  | 4.7   |
| Utah Unemployment Rate (DWS)                 | Percent                | 7.1      | 8.0      | 7.7      | 6.7      |                |      |       |

Sources: State of Utah Revenue Assumptions Working Group, Moody's Economy.Com, and IHS Global Insight.



# National Outlook

## Overview

After beginning a promising recovery in the second half of 2009, the U.S. economy has since moved forward unevenly. A number of short term events combined to slow growth beginning in the first half of 2011. Extremely bad weather, an oil price spike to above \$100 per barrel, and the Japanese earthquake generated a broad disruption of business activity in the U.S. The prolonged debt ceiling debate in Congress and subsequent downgrade by Standard and Poor's (S&P), combined with concern about European debt, led stock prices lower during August. These continuing headwinds cumulatively created a pronounced deceleration of growth early in 2011. With events settling, the U.S. economy resumed modest growth as the year ended.

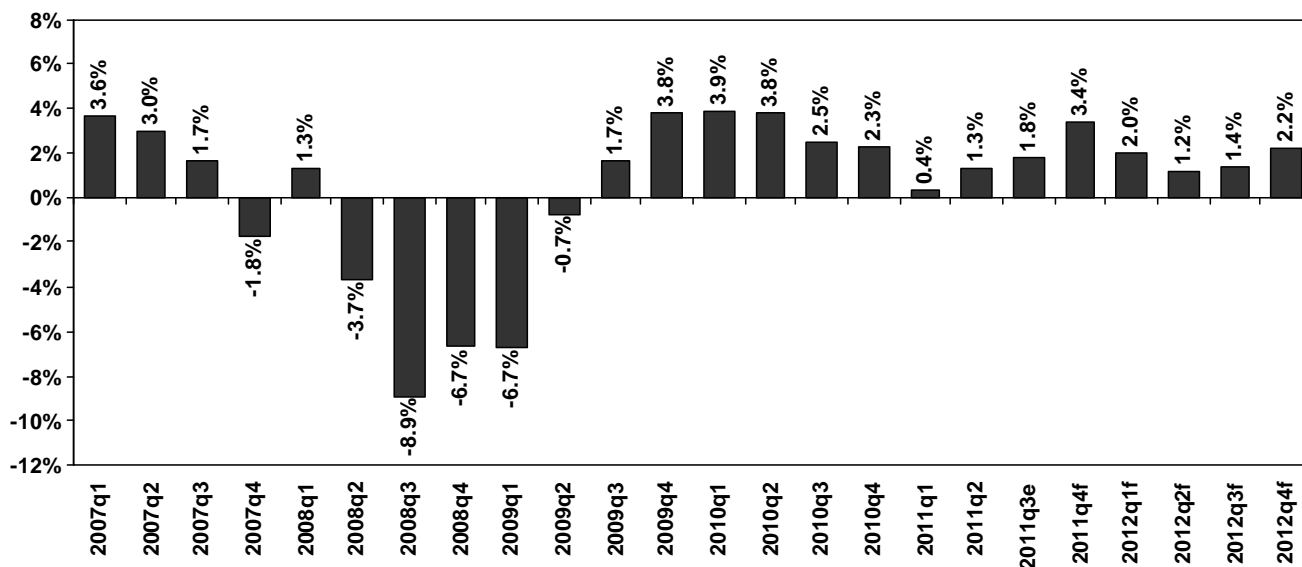
## 2011 Summary

As 2011 opened, the recovery appeared to be pausing. After rising nearly 4% for several quarters, GDP growth slowed to 2.5% in the second half of 2010. High oil prices and bad weather combined to lower growth to just 0.4% during the first quarter of 2011. Unprecedented flooding in the Mississippi Basin, savage tornados in Alabama and Missouri, combined with the Japanese earthquake, tsunami and nuclear disaster combined to hold growth to 1.0% in the second quarter. The nuclear disaster disrupted Japanese production and U.S. supply chains, cutting automotive production and sales during spring and early summer. The highly partisan debate to raise the U.S. debt ceiling consumed the month of July, with an agreement reached just hours before the Treasury began extraordinary measures to manage the federal government's cash flow. Because the final bill passed by Congress to raise

the debt limit included just \$2.5 trillion of 10 year deficit reduction measures, instead of \$4 trillion, Standard and Poor's (S&P) downgraded the U.S. from AAA to AA+ in early August. The S&P downgrade, combined with rising concerns over Europe's ability to manage its debt crisis, led stock prices lower during August. With Japanese production resuming, lower oil prices, better weather, and a working agreement in Congress allowing the federal government to operate, employment growth picked up after September and GDP grew 1.8% for the year as a whole, finishing the fourth quarter at 3.4%.

Employment grew 1.0% in 2011, or 1.3 million jobs, barely enough to lower the unemployment rate, which fell from 9.6% to 9.0%. Mining had the highest rate of job growth, 11.3%, as a jump in energy prices lead to increased exploration and production. Administrative support, which includes temporary help, increased 3.9%, or by almost 300,000 jobs, as firms shied away from permanent hires to meet increased demand. Reflecting the split nature of the labor market where workers with specific technical skills find jobs quickly, professional, scientific and technical employment grew 2.7%, or 200,000. Within the broad sector, computer systems and technical consulting both grew more than 5%, while employment at law offices was flat. Health care grew 2.2%, or 350,000, as demand for medical services continues relatively unaffected by the slow economy. Increasing sales and the need to ship goods boosted transportation employment by 2.0%, or 85,000. Increasing sales also boosted wholesale and retail employment by 1.6% and 0.9%, respectively, a total of 220,000. Briskly growing demand for U.S. made merchandise

**Figure 1**  
Growth Rate of United States Real Gross Domestic Product



Source: Bureau of Economic Analysis and Global Insight e = estimate f = forecast

overseas, and steadily increasing domestic consumer spending on big ticket items such as cars and home appliances supported manufacturing employment growth of 1.7%, almost 200,000 jobs. With the wind-down of the 2010 Census and postal service restructuring, federal government had the largest rate of job decline at -4.6%, or almost 140,000 jobs. Continuing budget difficulties lead to a decline of -1.4%, or over 280,000, in state and local employment. The continuing real estate slump led to a decline of -0.2%, or 10,000, in construction employment.

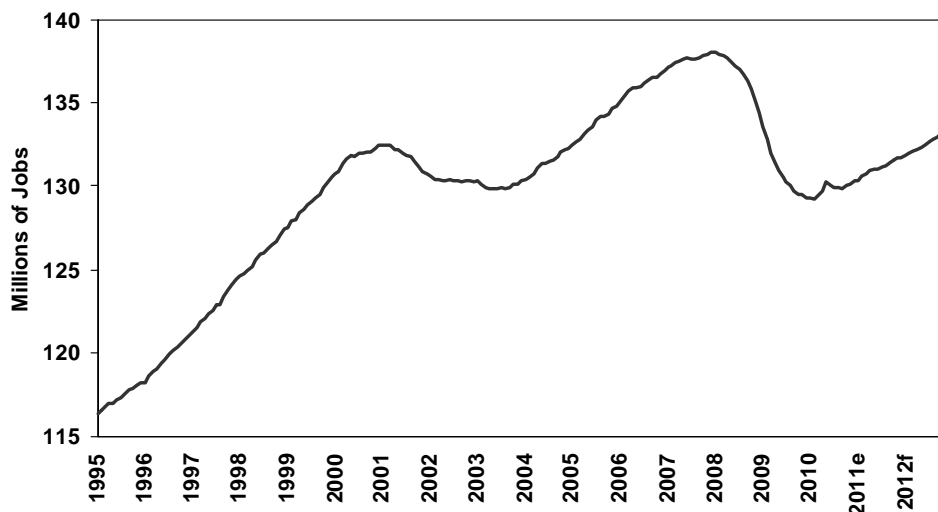
### Significant Issues

#### Nature of Recovery

Ken Rogoff, of Harvard University, argues the recovery was bound to be sub-par because it followed a financial crisis. Comparing credit booms and subsequent banking panics, Rogoff found in the typical crisis the unemployment rate rises seven percentage points for five years. Stock values fall 56% for 3½ years while home prices fall 35% for 6 years. The problem is the boom preceding the bust is driven by a build-up of debt, particularly consumer debt for housing. Business debt for commercial real estate and, to a lesser extent, for plant and equipment to increase productive capacity, also increases. Speculators finance most of their asset trading with increased debt. The combined effect is a massive increase in spending across all sectors which is not sustainable.

Debt in the U.S. is at historically high levels. As a percent of GDP, home mortgage debt peaked at 75% in 2007, and has since declined to 65%, as foreclosures extinguish bad loans and households pay down their mortgages. About 80% of the increase in debt during the 2000s was from mortgage equity extraction (MEW) used to finance consumer spending. Since the financial crisis, MEW has essentially ended, which has contributed to the decline in mortgage debt. Business debt, which includes both non-financial corporations and millions of non-financial small businesses, peaked at 78% of GDP in 2008 and has since declined to 75%. Debt in the financial sector, over half of which is from the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac, peaked at 120% of GDP in 2008 and has since declined to 88%. However, the financial sector is an intermediary that incurs debt to purchase assets, such as mortgages, which are the debt of another sector, such as households. Including the debt of GSE's as a claim to be paid from GDP would be double counting, since the original debt is for mortgage financed

**Figure 2**  
**United States Nonfarm Payroll Employment**



Source: U.S. Bureau of Labor Statistics and Global Insight f = forecast

home purchases. Nonetheless, the problem with the enormous amount of leverage in the financial sector is if the original debt goes bad, as began with sub-prime mortgages in 2006, a chain reaction is initiated, as when Lehman Brothers failed in September 2008, which engulfs the non-financial sectors of the economy in a deep recession.

During boom periods, the most recent of which was between 2005 and 2007, high risk borrowers overextend themselves and cannot make debt service without additional credit or asset sales. At the peak, lenders begin to withdraw credit to the riskiest and most indebted borrowers. Lending slows, asset sales accelerate, their prices fall, and, as income from asset sales is insufficient to meet debt service, borrowers begin to default. The increase in bad debt makes it difficult for businesses to finance activities. As investors begin to doubt the creditworthiness of the business sector, a general panic takes hold, as the U.S. experienced during the fall of 2008. Sales decline as consumers and business owners become more cautious. The decline in commercial activity and cash flow forces businesses to cut costs through lay-offs. Once the financial sector is shored up, as happened during the first half of 2009 in the U.S., markets stabilize, uncertainty is reduced, and recovery begins. The expansion, however, is hampered by lower income and higher debt. Many borrowers find themselves owing more than their assets are worth. The high burden of debt service reduces purchases of new goods and services, which dampens the growth of sales, production, income, and employment. There is currently a robust debate among economists about the proper policy following a financial crisis, but there is general agreement that the recovery will be weaker than normal.

During the typical recession, households and businesses put off unnecessary spending until the economic outlook becomes more certain. Households stop buying durable goods such as cars and home appliances. The demand for new housing also falls off as people decide to stay in their existing residences or move in with friends or family. Businesses stock less inventory and invest less in plant and equipment. Once the recession ends and the outlook becomes positive, there is a pronounced increase in all types of spending. As spending increases, GDP grows rapidly and a strong recovery sets in. Employment lags GDP a few quarters, but eventually job growth accelerates, labor force participation increases and the unemployment rate falls. The current recovery is abnormally muted because the amount of debt owed by households and businesses is unprecedented. Reducing this debt burden to typical levels will take several years. During this period of deleveraging, consumer spending will be depressed, which will put a drag on business investment and hiring.

### Housing

Housing construction is particularly depressed in the current recovery. The main reason, as Rogoff notes, is the type of financial crisis the U.S. experienced during 2008 is typically preceded by a real estate boom. The current situation is historically unprecedented. Given the number of households in America, the housing stock has a surplus of 2 million units over and above what is required to house people and have a normal amount of vacant housing. The slow economy and high unemployment rate make the situation worse by lowering the amount of household formation that would normally occur.

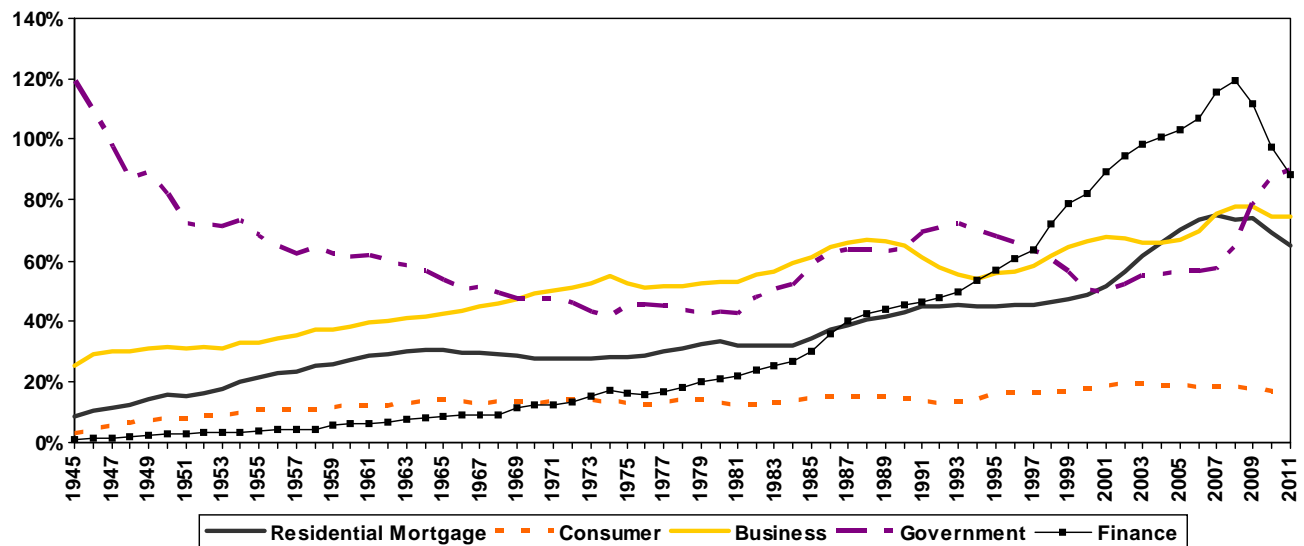
Most forecasters anticipate housing starts will remain near record lows throughout 2012, though construction should pick up as the year progresses. Household formation is currently running about 1 million per year. If the labor market was operating at normal levels of employment, perhaps as many as 200,000 more households would be forming. Given the present demographic situation, the housing stock would return to a normal level if no houses were built for two years. Despite this glut, there will always be a certain portion of households that want to live in new homes. This underlying demand for the most up-to-date living space will keep construction in the 600,000 unit range. As the economy improves, household formation will pick up and the housing surplus will decline.

The U.S. Census reported 116.7 million households in the 2010 count. If demographics in 2010 were the same as 2000, the age structure of the population would have generated 119.1 million households. In other words, there were 2.4 million fewer households in 2010 than would have been expected given people's behavior a decade earlier. The recession and dim income prospects for people in their 20s explain most of the absence of these 2.4 million households, and the consequent surplus of 2 million units.

### European Debt

Many parts of Europe experienced the same type of credit boom as the U.S. during the mid-2000s, the subsequent financial crisis in 2008, and ensuing weak recovery. Europe is different because its economic policy making is divided between the European Central Bank (ECB), which conducts a unified monetary policy for all countries using the Euro, and individ-

Figure 3  
Debt as a Percent of GDP in the United States by Borrowing Sector



Source: Federal Reserve and Bureau of Economic Analysis

ual national governments, which conduct separate fiscal policies based on unique public finance systems.

Since the financial crisis of 2008, the Euro-system has been especially difficult for countries such as Greece, Ireland, Portugal, Spain, and recently, Italy. The Greek national government, in particular, cannot pay the debt it accumulated during the boom. Since early 2010, Greece has been funded with a rescue package from the European Union (EU), lead by Germany and France, the ECB and the International Monetary Fund (IMF). In exchange for the rescue, Greece has implemented a plan to balance its budget, but the short term effect of the spending cuts and tax increases has crippled demand and driven the economy into recession. Greece's original debt was provided by a combination of local and international banks. French and German banks were particularly large lenders to Greece, and were owed, respectively, \$53 billion and \$36 billion, by Greek institutions, including banks and the national government, as of March 31, 2011. Because of the recession and the large amounts of government debt it holds, the Greek financial system is widely viewed as near failure.

The possibility of Greek default caused the large Franco-Belgian bank, Dexia, to collapse. Investors supplying its short-term funding felt it was too exposed to the Euro-system's troubled nations. Unable to meet its obligations, the bank was seized by the French and Belgian national governments in October 2011.

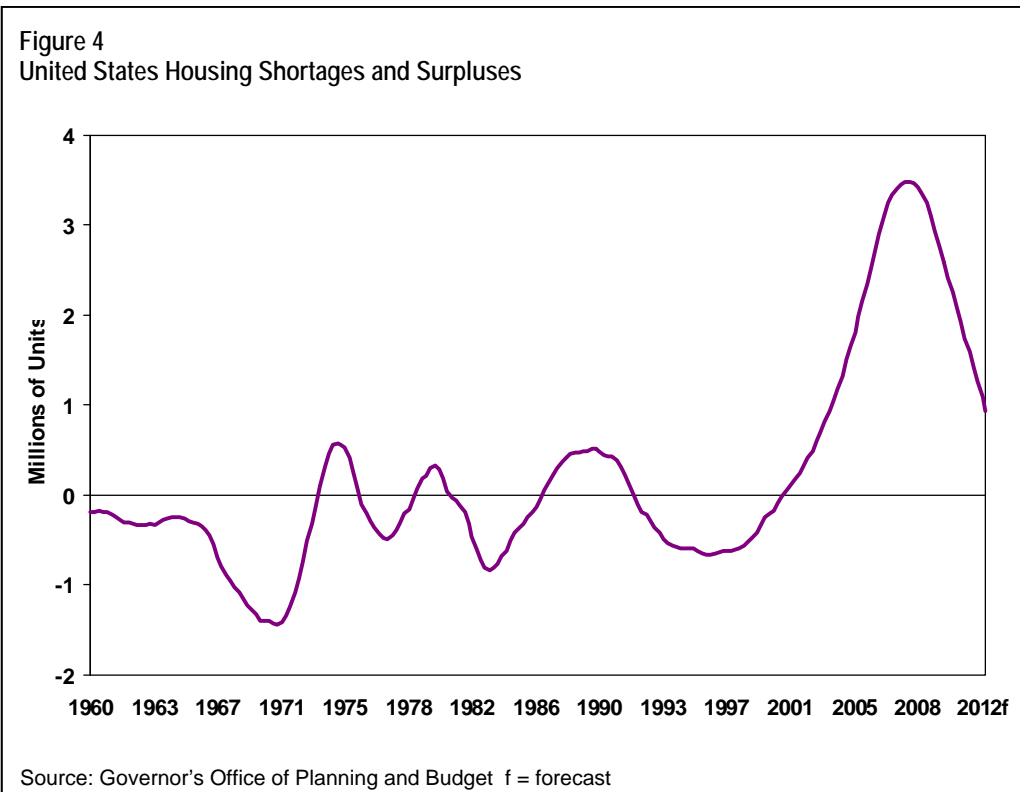
In December, the European Banking Authority (EBA) reported the continent's largest banks were short €115 billion in capital. The shortage was calculated using a required capital ratio, or equity as a percent of assets, equal to 9%. Spain's Banco Santander had the biggest shortage, €15.3 billion, followed by Italy's Unicredit, at €7.9 billion. In total, Spanish banks were short €26.2 billion, followed by Italian banks at €15.4 billion. The banks have until June 2012 to meet the 9% requirement, which they will do using a combination of equity raises, asset sales, and lower asset purchases.

The general outline of the EBA's results became known during the fall of 2011, prompting investor concerns that large countries such as Spain and Italy would have difficulty with funding. In a vicious cycle, investors required higher returns to justify the perception of increased risk, which in turn increased the likelihood of default. Yields on 10 year Italian government bonds rose from around 4.7% in early 2011 to a peak of 7.3% in November, before dropping toward 6.0% in early December.

As Italy's situation worsened, the failure of a German bond auction in November alarmed financial markets and policy-makers. Over the summer and fall several auctions occurred where the amount of debt offered exceeded the amount sold by small margins, but 35% of the November offer did not have bids. The main reason was the yield was lower than investors' perception of the risk. An additional hurdle was the EBA's capital order. The easiest way to increase the equity ratio is to reduce asset purchases, such as German bonds.

This conflict between the need to issue debt and the need to strengthen banks is one example of the Euro-system's problem.

Briefly unable to borrow on normal terms, Germany moved with France to develop tighter fiscal coordination for the 17 nations using the Euro. As the respective national governments within the Euro-system prepared a comprehensive approach to their finances, especially debt, the ECB indicated it would be willing to take a more aggressive approach to reduce borrowing costs. Once policy-makers created a coherent framework for action, combining supervision of national government budgets with ECB



purchases of Italian, Spanish, and other debt, yields dropped and financial markets began to stabilize.

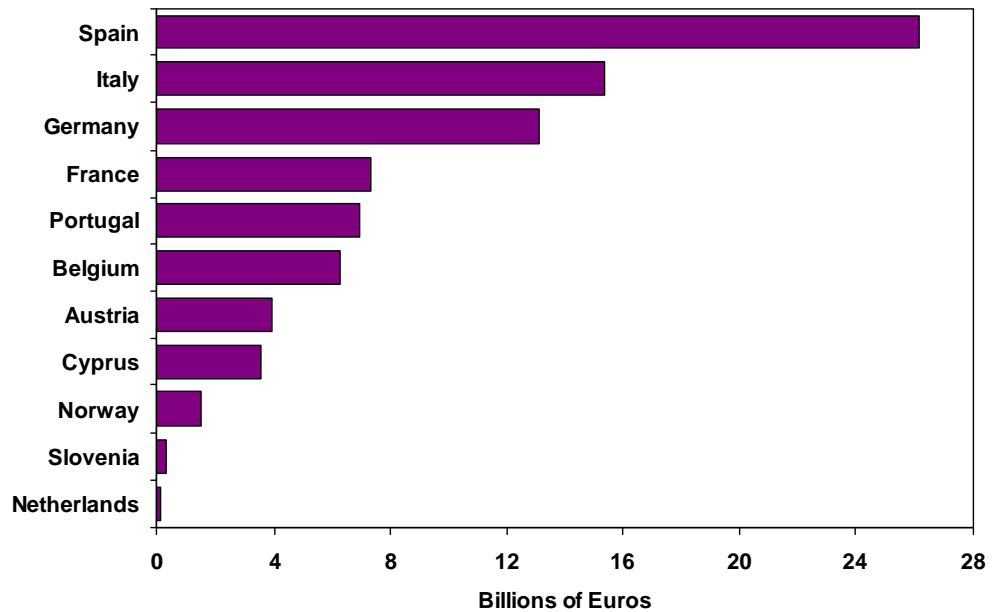
Having lent Europe over \$2 trillion, U.S. banks face challenges as the crisis continues. The collapse of MF Global, a \$40 billion Wall Street trading firm, in October 2011 was the direct result of its creditors' concerns it had too much European exposure. While this probably will be an isolated event, the failure of Europe to resolve its debt clouds the outlook.

### 2012 Outlook

The consensus outlook for the U.S. economy is slow but accelerating growth during 2012. Excess debt both at home and abroad will continue to dampen the recovery. U.S. households have made significant progress improving their balance sheets, which will continue as the labor market advances. With better finances, consumers will spend more, businesses will produce and hire more, and a strengthening recovery will set in. Household formation will increase and the excess supply of housing will continue to decline. The major risk to the outlook is Europe. A deep recession there will slow U.S. growth dramatically, perhaps even causing a second recession. Assuming European policymakers prevent another financial crisis, the U.S. economy will continue to recover with accelerating growth.

Employment is expected to grow 1.1% for the year as a whole in 2012, though this will accelerate to 1.6% in the fourth quarter, keeping the unemployment rate at 9.0%. Administrative support, which includes temporary help, is expected to have the fastest rate of growth 3.9%, or 300,000 jobs, as firms continue to shy away from permanent hires to meet increased demand. The pickup in sales and attendant need to ship goods will boost transportation and warehousing jobs by 3.2%, or 135,000. Likewise, better sales are expected to increase wholesale and retail employment 2.0% and 1.6%, respectively, for a total of 340,000 new jobs. Health care is estimated to grow 2.7%, or 450,000, as demand for medical services continues despite weakness in other sectors of the economy. With the recovery gaining traction, travel and tourism will begin to rebound, driving employment in accommodation and food services and recreation up an estimated 2.4%

**Figure 5**  
Capital Shortages at Large European Banks by Country



Source: European Banking Authority

and 1.8%, respectively, or 500,000 jobs. The end of federal stimulus for infrastructure spending, business caution on new plant and equipment, and near record low housing starts are forecast to lower construction employment 2.1%, a loss of almost 120,000 jobs. Tight budgets are predicted to reduce employment in federal and state and local government, 2.5% and 1.0%, respectively, a combined loss of over 270,000 jobs.

### Conclusion

After a massive build-up of debt during the 2000s, the required deleveraging is producing a muted recovery from the financial crisis of 2008. The Japanese earthquake, high oil prices, and bad weather were strong headwinds slowing growth during the first half of 2011. The protracted debt ceiling debate, S&P downgrade, and European debt crisis sent stock prices and consumer confidence lower in August. With events settling, growth will accelerate, hiring will pick up, and the recovery will move toward a more typical expansion.

**Table 1**  
**United States Nonfarm Payroll Employment by Sector**

|                                      | Thousands of Jobs |                |                |                |             |              |              |              |             |             |
|--------------------------------------|-------------------|----------------|----------------|----------------|-------------|--------------|--------------|--------------|-------------|-------------|
|                                      | Level             |                |                |                | Amount      |              |              | Rate         |             |             |
|                                      | 2000              | 2010           | 2011e          | 2012f          | 2000-10     | 2010-11      | 2011-12      | 2000-10      | 2010-11     | 2011-12     |
| Natural Resources & Mining           | 599               | 706            | 785            | 796            | 11          | 80           | 11           | 1.6%         | 11.3%       | 1.4%        |
| Utilities                            | 601               | 552            | 552            | 545            | -5          | 0            | -7           | -0.9%        | 0.0%        | -1.2%       |
| Construction                         | 6,788             | 5,527          | 5,517          | 5,400          | -126        | -10          | -117         | -2.0%        | -0.2%       | -2.1%       |
| Manufacturing                        | 17,265            | 11,527         | 11,722         | 11,885         | -574        | 195          | 163          | -4.0%        | 1.7%        | 1.4%        |
| Wholesale Trade                      | 5,933             | 5,456          | 5,535          | 5,644          | -48         | 80           | 108          | -0.8%        | 1.5%        | 2.0%        |
| Retail Trade                         | 15,279            | 14,420         | 14,559         | 14,790         | -86         | 139          | 232          | -0.6%        | 1.0%        | 1.6%        |
| Transportation & Warehousing         | 4,412             | 4,182          | 4,267          | 4,402          | -23         | 85           | 135          | -0.5%        | 2.0%        | 3.2%        |
| Information                          | 3,630             | 2,711          | 2,670          | 2,667          | -92         | -40          | -3           | -2.9%        | -1.5%       | -0.1%       |
| Finance & Insurance                  | 5,677             | 5,692          | 5,668          | 5,676          | 2           | -24          | 8            | 0.0%         | -0.4%       | 0.1%        |
| Real Estate, Rental & Leasing        | 2,011             | 1,940          | 1,943          | 1,968          | -7          | 3            | 25           | -0.4%        | 0.2%        | 1.3%        |
| Professional, Scientific & Technical | 6,702             | 7,423          | 7,621          | 7,728          | 72          | 198          | 107          | 1.0%         | 2.7%        | 1.4%        |
| Management of Companies              | 1,796             | 1,863          | 1,885          | 1,909          | 7           | 23           | 24           | 0.4%         | 1.2%        | 1.3%        |
| Administrative Support               | 8,173             | 7,394          | 7,685          | 7,984          | -78         | 291          | 299          | -1.0%        | 3.9%        | 3.9%        |
| Educational Services                 | 2,391             | 3,147          | 3,222          | 3,237          | 76          | 74           | 15           | 2.8%         | 2.4%        | 0.5%        |
| Health Care & Social Assistance      | 12,718            | 16,415         | 16,771         | 17,224         | 370         | 356          | 453          | 2.6%         | 2.2%        | 2.7%        |
| Arts, Entertainment & Recreation     | 1,786             | 1,907          | 1,897          | 1,942          | 12          | -9           | 45           | 0.7%         | -0.5%       | 2.4%        |
| Accommodation & Food Services        | 10,074            | 11,111         | 11,315         | 11,548         | 104         | 204          | 234          | 1.0%         | 1.8%        | 2.1%        |
| Other Services                       | 5,168             | 5,365          | 5,448          | 5,489          | 20          | 83           | 41           | 0.4%         | 1.5%        | 0.7%        |
| State & Local                        | 17,925            | 19,520         | 19,237         | 19,038         | 159         | -283         | -199         | 0.9%         | -1.4%       | -1.0%       |
| Federal                              | 2,865             | 2,967          | 2,829          | 2,759          | 10          | -138         | -71          | 0.4%         | -4.6%       | -2.5%       |
| <b>Total</b>                         | <b>131,794</b>    | <b>129,822</b> | <b>131,128</b> | <b>132,630</b> | <b>-197</b> | <b>1,306</b> | <b>1,502</b> | <b>-0.2%</b> | <b>1.0%</b> | <b>1.1%</b> |

e = estimate

f = forecast

Source: Bureau of Labor Statistics and Global Insight



# Utah Outlook

## Overview

Utah typically grows more rapidly than the nation after recessions, and this pattern is taking hold in the current recovery. While the expansion is gaining strength, the downturn that began in 2008 continues to influence economic growth in every state of the U.S., as well as every country on earth. Some areas, such as Utah, are faring better than others, but the international dimensions of the financial system affect every household, business, and government. A moderate, strengthening recovery is the most likely outcome, but policy-makers around the globe must remain vigilant to prevent local difficulties in places such as Greece from spreading and causing a second recession. The financial situation in Europe is widely viewed as the biggest threat to global growth during 2012. Current efforts by European policy-makers seem likely to succeed, which bodes well for the U.S. recovery. Assuming the national expansion continues, Utah's growth will accelerate above the pace of the past two years.

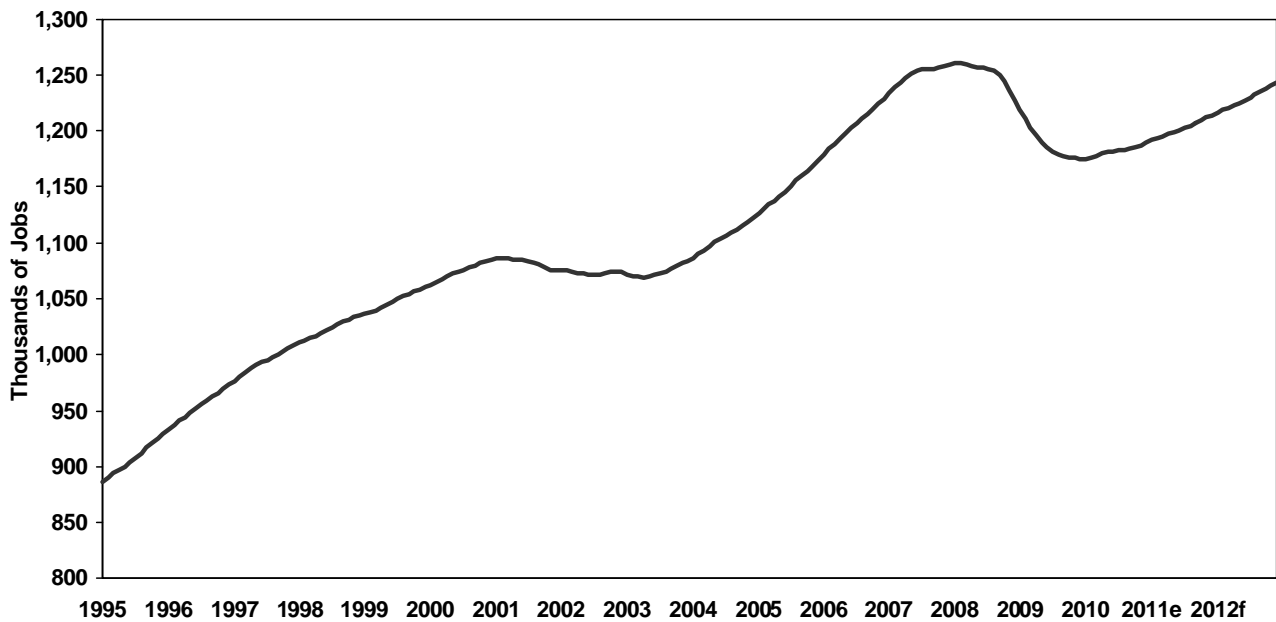
## 2011 Summary

For the year ending October 2011, Utah employment grew 2.6%, or 32,000 jobs. For the year as a whole employment grew 2.3%, or 27,000 jobs, from 1.18 million to 1.21 million. As of October, the unemployment rate was 7.0%, down from 7.6% a year earlier and almost two percentage points lower than the U.S. The improving situation has spread across all

sectors of the Utah economy, none of which had declining employment during 2011. Mining, which includes oil and gas production, had the fastest growth rate, 10.1%, driven by continuing high energy prices. Professional and business services had the second fastest growth rate, 3.5%, or 5,300 jobs, which reflects strong underlying growth throughout the economy. While the office support component of the sector had strong growth, the high-paying technical services component also advanced strongly, which may have a strong impact on income growth and sales as the recovery continues. Education and health grew 3.3%, or 5,200 jobs. Leisure and hospitality, which includes tourism as well as local demand for dining and entertainment, grew 3.0%, or 3,300 jobs.

Gross domestic product (GDP), the broadest measure of economic activity, grew 1.7% in 2010. After declining 1.5% in 2009, GDP is on track to grow almost 3% in 2011. These results are in real terms, after inflation has been removed, so they represent the physical production of goods and services. In nominal terms, including the effects of inflation, GDP grew 2.9% during 2010, which includes 1.7% real growth and 1.2% inflation. Because GDP is only produced annually and will not be available for 2011 until summer 2012, personal income, which is available quarterly for the current year, is often used in its place. During 2011, Utah personal income increased 5.4%, and total wages, its largest component, in-

Figure 6  
Nonfarm Payroll Employment in Utah



e = estimate f = forecast

Source: Department of Workforce Services, Governor's Office of Planning and Budget and Revenue Assumptions Working Group

creased 4.9%. These figures are in nominal terms. In real terms, excluding inflation, personal income increased 3.2% and wages increased 2.7%.

**Significant Issues**

**Housing**

Though unprecedented, by some measures the housing slump in Utah has not been as severe as it was in the nation. Nationally, housing starts are at record lows, but in Utah the current rate of construction is almost 40% above the bottom reached in 1989. While Utah housing starts are well above record lows, the peak to trough decline is similar to the nation. At a seasonally adjusted annual rate, Utah housing starts peaked at 27,000 in November 2005, but have since declined 68% to 6,800, as compared to a decline of 73% for the U.S.

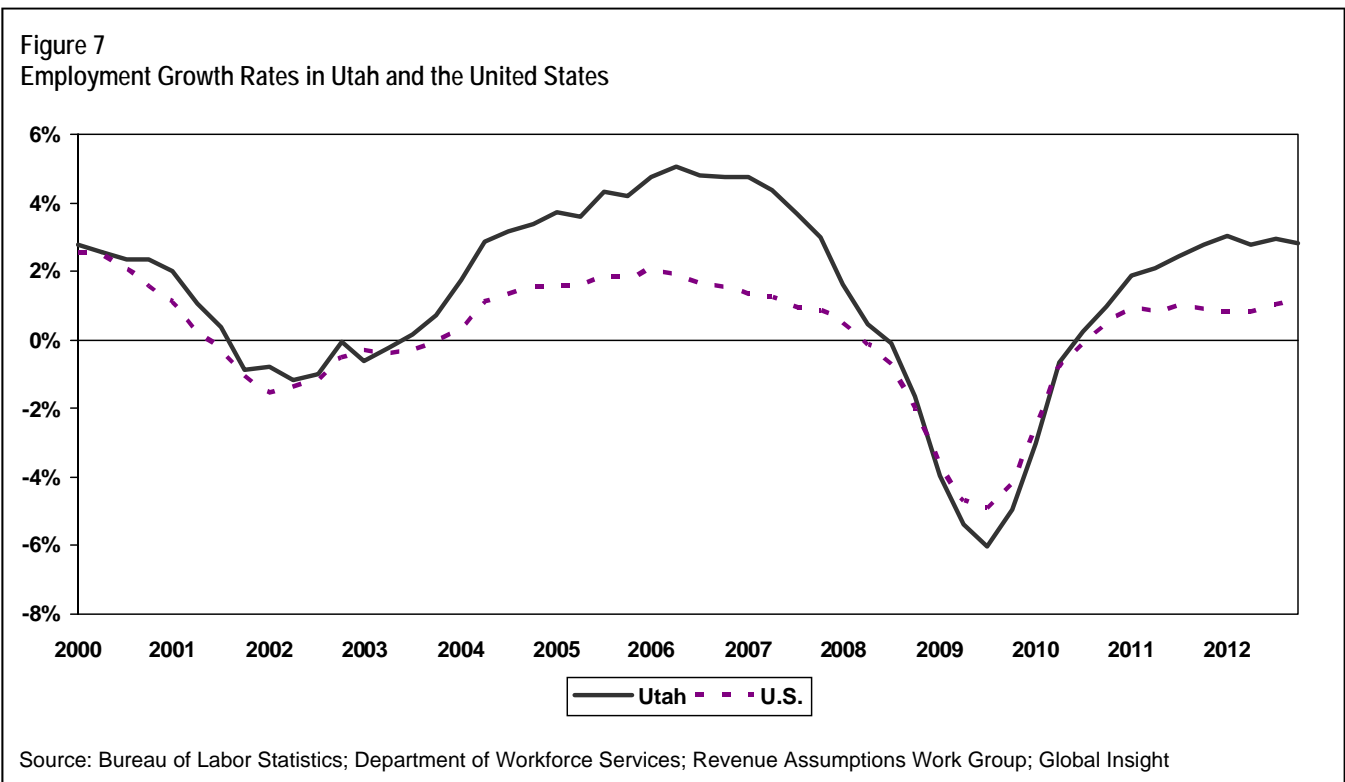
Like the nation, home sales in Utah have been declining since the housing crash began in 2006. From an average above 4,000 per month at the peak, sales declined to around 2,500 in August 2011, or almost 40%, on a seasonally adjusted basis. The federal homebuyer credit, combined with Utah's Home Run program, lifted sales to almost 3,000 per month during the summer of 2010. Most observers feel these housing credits provided a needed psychological lift during the depths of the recession, but the main affect was to accelerate home purchases from late 2010 and early 2011 into late 2009 and early 2010. This acceleration and subsequent slowdown is evidenced by the decline of home sales to around 2,300 per month, in September 2010, just after the second federal

homebuyer credit expired. With growing employment, household income and formation, sales should gradually move above the 2,500 level during 2012.

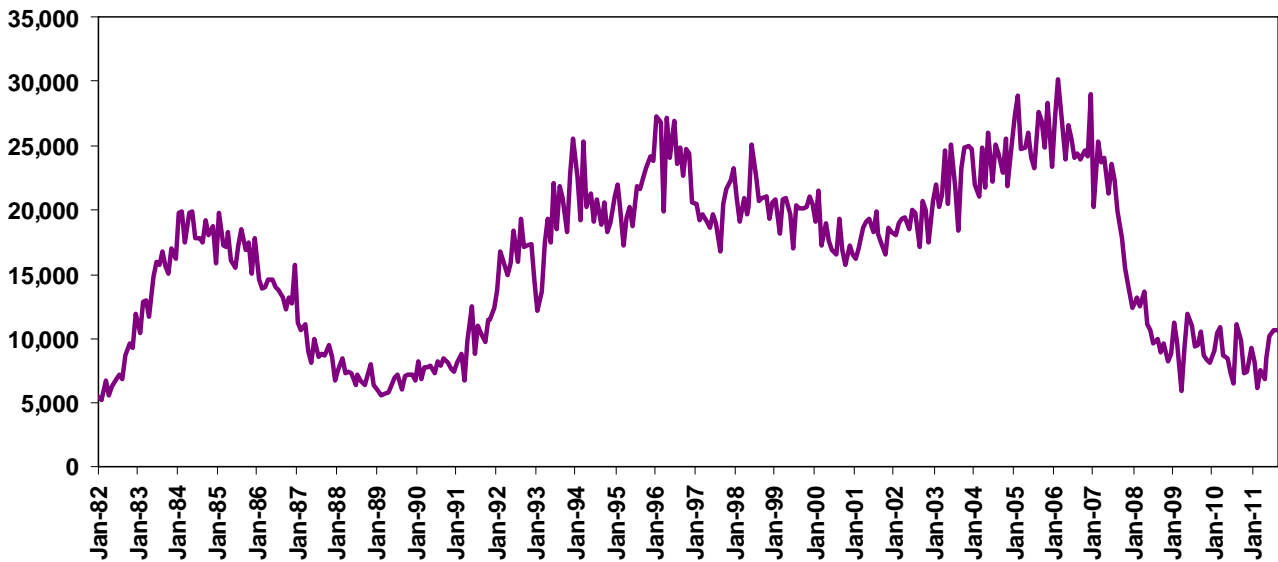
Reflecting the decline in sales, home prices have also declined. The median home price in Utah, as reported by the Utah Association of Realtors (UAR), declined from a peak of almost \$220,000 in May 2007, to just above \$170,000 in August 2011, or more than 20%, on a seasonally adjusted basis. The UAR prices are for all homes, both existing and newly constructed. Moody's Analytics reports the median price of existing homes in Utah declined from \$204,000 in the 3rd quarter of 2007 to \$144,000 in 2nd quarter 2011, or almost 30%. The main reason existing home prices have declined more rapidly than total is that distressed properties are selling at deep discounts, while newly constructed homes have maintained their value.

**Indexes of Coincident and Leading Economic Indicators**

Organized research on economic indexes initially began with the work of Wesley Mitchell in the early 1900s. Mitchell helped found the National Bureau of Economic Research in 1920, and, with Arthur Burns, developed a program to measure business cycles. One product of their effort was the indexes of leading and coincident indicators still in use today. These indexes, reported monthly by the Conference Board, are in much the same form as originally constructed by Burns and Mitchell. The idea behind the coincident index is that no



**Figure 8**  
Housing Starts in Utah, Seasonally Adjusted Annual Rate



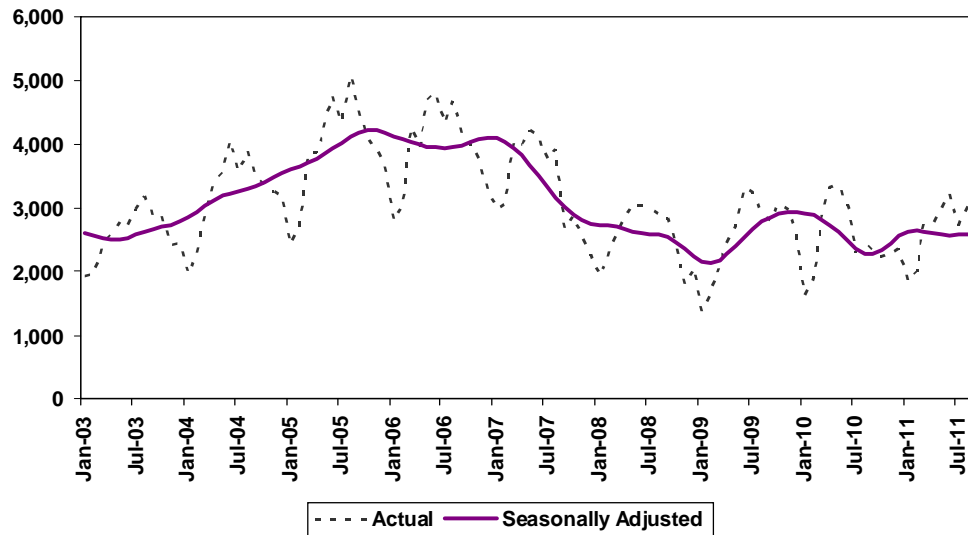
Source: Moody's Analytics

one economic indicator, whether GDP, employment, sales, production or income, accurately reflects the true "state of the economy." The coincident index is designed to combine information from a number of indicators that coincide with the peaks, troughs, expansions and recessions of the business cycle. The leading index is designed to predict economic performance six months ahead.

The Federal Reserve Bank of Philadelphia (FRBP) has recently constructed coincident and leading indexes for the U.S. and the 50 states. The FRBP indexes are reported monthly a few weeks after month's end.

The value of the FRBP indexes is that they are timely and allow a consistent comparison of current conditions and expected performance six-months ahead between the 50 states and the U.S. The coincident index takes the value 100 for each state during 1992, while the leading index predicts the six-month growth rate in the coincident index.

**Figure 9**  
Home Sales in Utah



Source: Moody's Analytics

The FRBP coincident index for Utah peaked at 198 in December, 2007, indicating the size of the economy had almost doubled since 1992. The coincident index for the U.S. peaked at 160 in January 2008, indicating the economy had grown 60% since 1992. Consistent with indicators such as GDP, personal income, employment and population, the

FRBP coincident index demonstrates Utah grew much faster than the U.S. over the last two decades. After peaking near the beginning of 2008, the coincident indexes declined sharply for both Utah and the U.S., troughing at 178 in January 2010 and 147 in December 2009, respectively. These dates are about six months later than the official end of the recession in June 2009. Since troughing near the end of 2009, the indexes have slowly but steadily increased, to 186 for Utah and 154 for the U.S., as of October 2011.

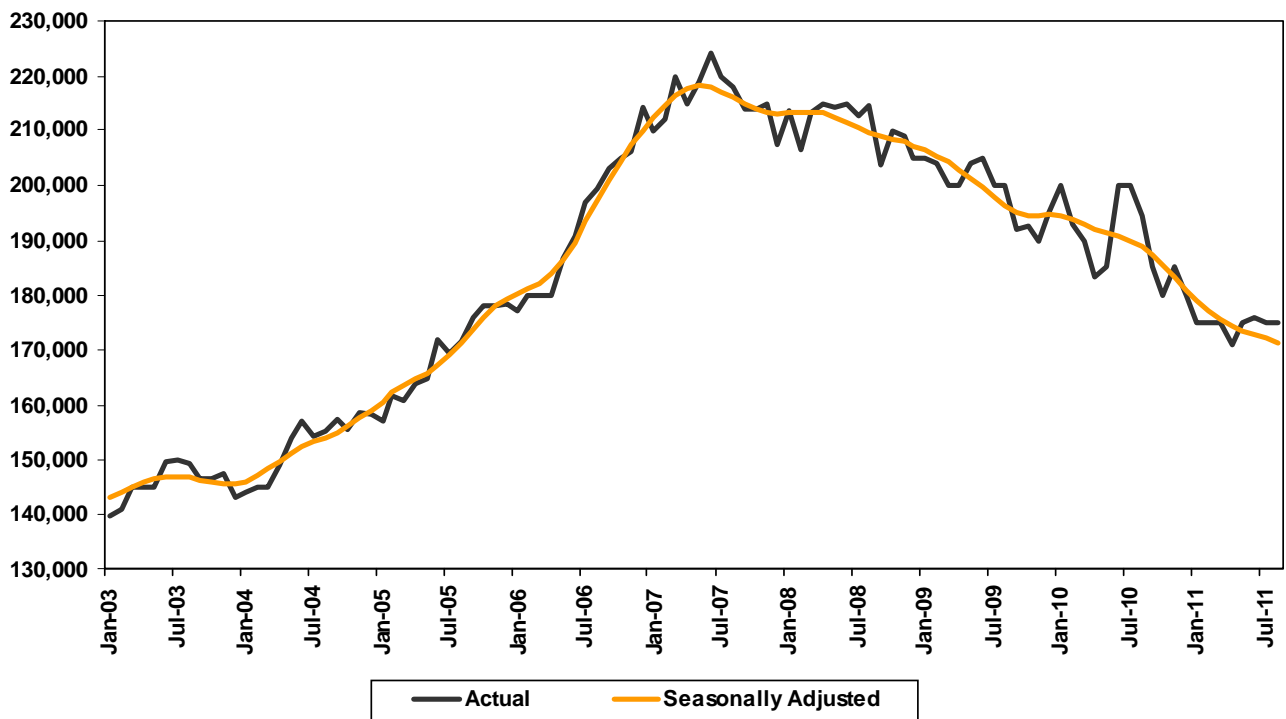
After peaking at 4.2% in December 2005, the FRBP leading index for Utah turned negative in November 2007, suggesting a recession would begin six months later in April 2008. The leading index for the U.S. did not turn negative until March 2008, despite the fact the coincident index began to decline in January, two months earlier. The leading indexes reached minimums during the current business cycle of -5.4% in November 2008 for Utah, and -3.9% in March 2009 for the U.S. The interpretation is that the economy would reach its maximum rate of decline in May 2009, for Utah, and August 2009 for the U.S. The coincident index reached a maximum decline of -4.9% for Utah, and -4.5% for the U.S., both in April 2009. The leading index turned positive in December 2009 for Utah and September 2009 for the U.S. Since turning positive, the index has trended up reaching a maximum of

3.2% in October 2011, the most current reading, for Utah, and reached a maximum of 2.2% in May 2010 for the U.S. Looking back to the beginning of the recession in December 2007, the behavior of the leading index gave a reasonably accurate view of how the economies of both Utah and the U.S. would evolve over the next six months. The readings from fall 2011 suggest the economy will continue to grow, more rapidly in Utah than the U.S.

### 2012 Outlook

As usual, Utah is coming out of the recession more quickly than the nation as a whole. The year over employment growth rate in October 2011 was 2.6% in Utah, more than twice the U.S. rate of 1.2%. The current expectation is that Utah's recovery will continue stronger than the nation's. The strong and accelerating growth of late 2011 will continue into 2012. Employment in Utah will grow 2.7%, as compared to 1.1% for the U.S. The level of employment will increase to 1.24 million, more than 30,000 above 2011. Total wages will grow 6.0%, while personal income grows 4.7%. Because of low interest rates and a flattening in government support payments, personal income will grow more slowly than wages. Average wages will grow 3.2% which combined with CPI growth of 1.3% will boost real pay 1.9%.

Figure 10  
Median Home Prices in Utah



Source: Utah Association of Realtors and Governor's Office of Planning and Budget

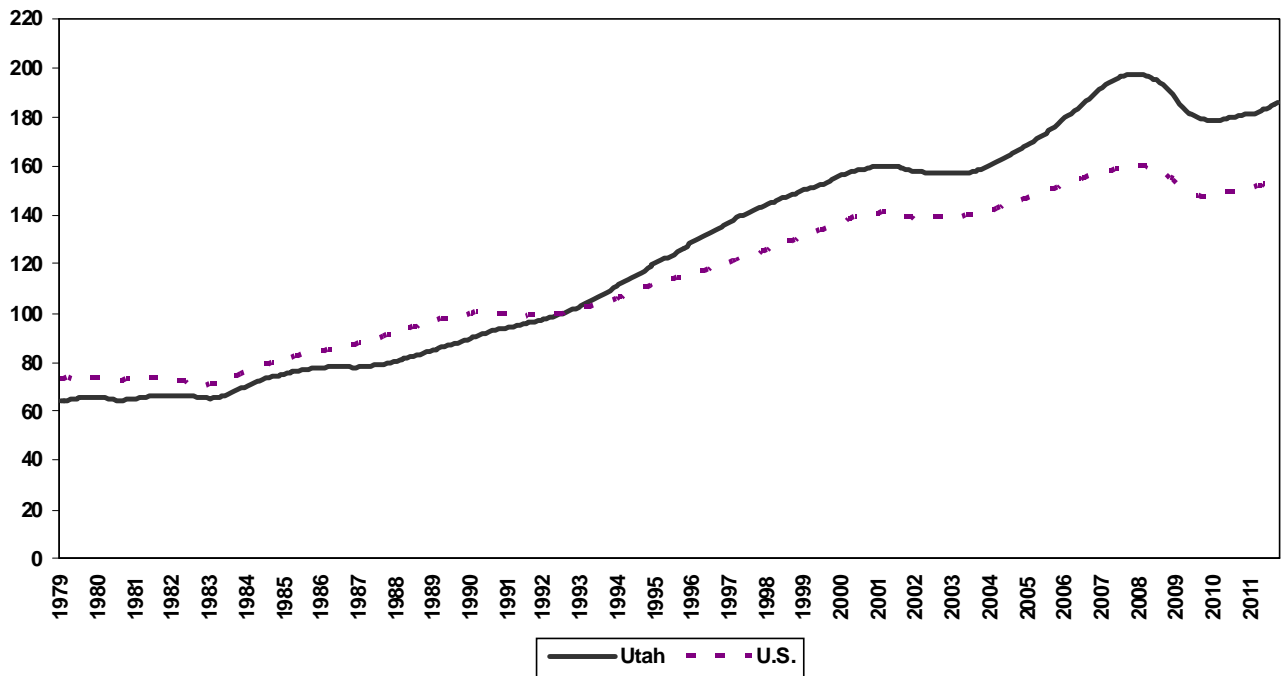
Employment in all sectors will grow during 2012, as the unemployment rate declines from 7.7% in 2011 to 6.7%. Mining will again lead the way, growing 6.1% on continued energy production. With a number of large projects ramping up, construction employment will advance 4.0%, which will make it the fastest growing sector. Professional and business services will rank second in growth rate, at 5.3%, but the increase of over 8,000 jobs will make it the leading source of employment. Temporary workers are a large component of the 8,000, but the high-paying technical services component will also post strong gains. The long-term trend has been as the nation grows wealthier, the demand for medical services increases as a share of the economy. This trend will make education and health care the second largest source of jobs, 4,900, with a growth rate of 3.1%. As shipping and sales continue to expand, employment in trade, transportation and utilities will grow 2.0%, or 3,700 jobs. Brighter spirits will boost tourism, spurring leisure and hospitality employment

up 2.3%, or 2,600 jobs. As economic activity picks up, tax revenue will follow, easing state and local budgets. The improving situation will create 3,800 jobs in government, mostly teachers, police officers, and fire-fighters.

**Conclusion**

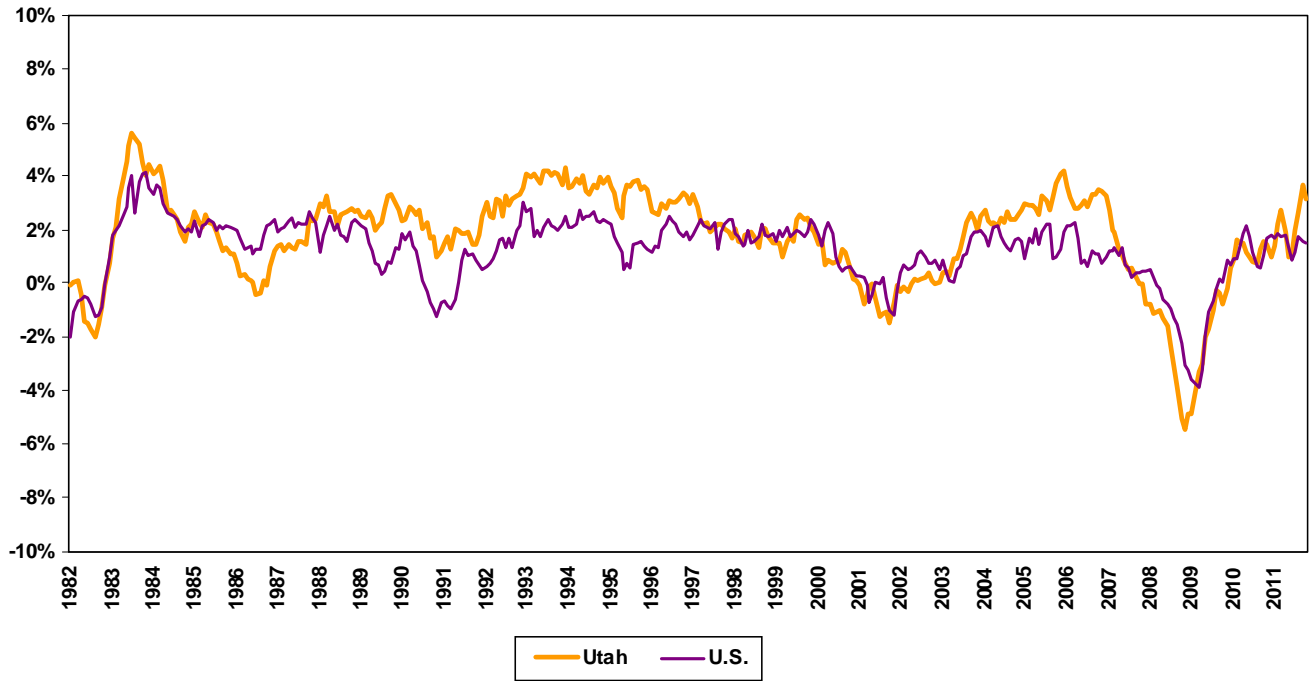
Utah will come out of the recession more rapidly than the U.S., as has been the case with every downturn over the past 60 years. Year-over job growth in the state was close to 3.0% at the end of summer 2011, but is expected to taper down to 2.7% in 2012. While Utah historically has stronger recoveries than the nation, its economy is still driven by national and global trends. If policy-makers allow difficulties in Europe or elsewhere to spin out of control, the state will suffer. Assuming the nation continues a moderate but strengthening recovery, Utah's economy will expand at a stronger rate than experienced since the expansion began in summer 2009.

Figure 11  
Coincident Index for Utah and the United States



Source: Federal Reserve

Figure 12  
Leading Index for Utah and the United States



Source: Federal Reserve

# Economic Indicators

## Demographics

### 2011 Census Bureau National and State Population Estimates

At the end of December 2011, the U.S. Census Bureau released the first population estimates following the 2010 Census. The total July 1, 2011 population estimate for the United States was 311,591,917. This represents a population increase of 2,846,379 people or 0.9% from 2010. This is the slowest national growth since the 1940s. Utah's 2011 total population estimate was 2,817,222. This represents a population increase of 53,337 people or 1.9% from 2010, ranking Utah third among states and the District of Columbia in population growth. Utah grew more than twice as fast as the nation from 2010 to 2011.

The majority of states that experienced the highest growth rates from 2000 to 2010 are located in the West and South

regions of the United States. The top ten states or equivalent with the highest growth rates include: District of Columbia (2.7%), Texas (2.1%), Utah (1.9%), Alaska (1.8%), Colorado (1.7%), North Dakota (1.7%), Washington (1.6%), Arizona (1.4%), Florida (1.4%), and Georgia (1.3%). This is the first time D.C. has had the fastest growth rate since the early 1940s. Nevada, the fastest growing state from 2000 and 2010 censuses, ranked only 27<sup>th</sup> in population growth between April 1, 2010 and July 1, 2011, increasing by 0.8%.

### 2012 Outlook

Utah will continue to experience population growth at a rate higher than most states in 2012 on account of strong natural increase in addition to in-migration. Natural increase (births less deaths) is anticipated to add 39,000 people to Utah's population. While net in-migration has slowed since the peak of the economic expansion, Utah's net migration is projected to remain positive at 5,000 people.

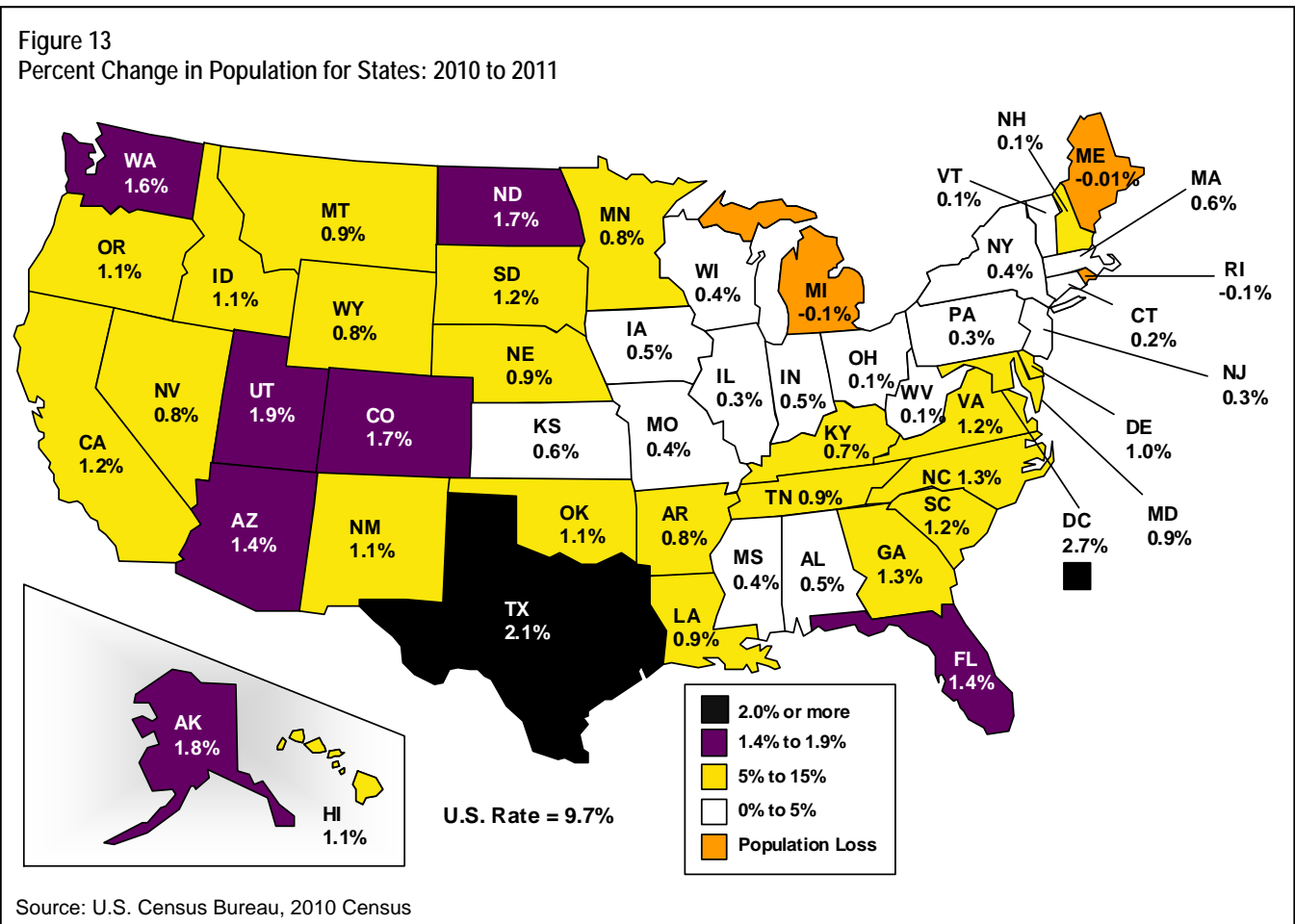
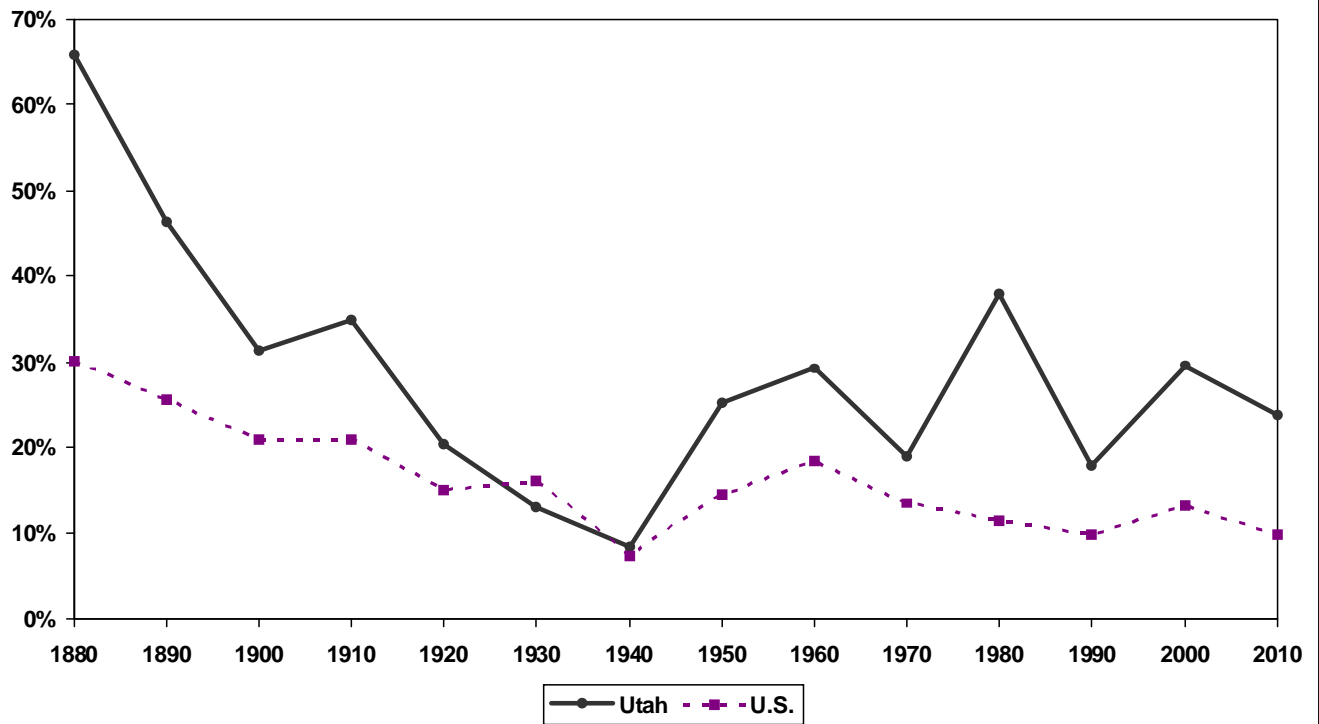
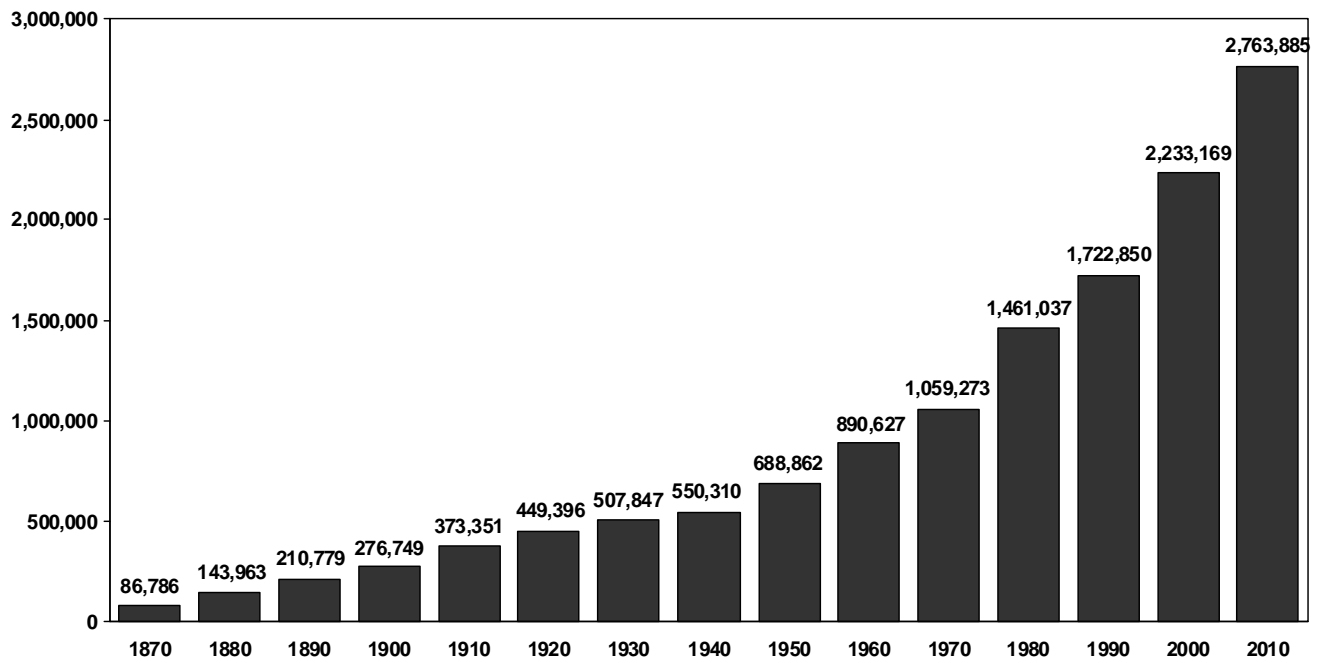


Figure 14  
Percent Change from Previous Census: Utah and the United States



Source: U.S. Census Bureau

Figure 15  
Utah Total Population



Source: U.S. Census Bureau



Table 2  
U.S. Census Bureau National and State Census Counts: 2010 and 2011

| Area                 | April 1, 2010<br>Population | 2010<br>Rank | July 1, 2011<br>Population | 2011<br>Rank | 2010-2011<br>Change | 2010-2011<br>% Change | Rank<br>Based on<br>% Change |
|----------------------|-----------------------------|--------------|----------------------------|--------------|---------------------|-----------------------|------------------------------|
| U.S.                 | 308,745,538                 | na           | 311,591,917                | na           | 2,846,379           | 0.9%                  | na                           |
| Region               |                             |              |                            |              |                     |                       |                              |
| Northeast            | 55,317,240                  | 4            | 55,521,598                 | 4            | 204,358             | 0.4%                  | 3                            |
| Midwest              | 66,927,001                  | 3            | 67,158,835                 | 3            | 231,834             | 0.3%                  | 4                            |
| South                | 114,555,744                 | 1            | 116,046,736                | 1            | 1,490,992           | 1.3%                  | 1                            |
| West                 | 71,945,553                  | 2            | 72,864,748                 | 2            | 919,195             | 1.3%                  | 2                            |
| State                |                             |              |                            |              |                     |                       |                              |
| Alabama              | 4,779,736                   | 23           | 4,802,740                  | 23           | 23,004              | 0.5%                  | 36                           |
| Alaska               | 710,231                     | 47           | 722,718                    | 47           | 12,487              | 1.8%                  | 4                            |
| Arizona              | 6,392,017                   | 16           | 6,482,505                  | 16           | 90,488              | 1.4%                  | 8                            |
| Arkansas             | 2,915,918                   | 32           | 2,937,979                  | 32           | 22,061              | 0.8%                  | 30                           |
| California           | 37,253,956                  | 1            | 37,691,912                 | 1            | 437,956             | 1.2%                  | 14                           |
| Colorado             | 5,029,196                   | 22           | 5,116,796                  | 22           | 87,600              | 1.7%                  | 5                            |
| Connecticut          | 3,574,097                   | 29           | 3,580,709                  | 29           | 6,612               | 0.2%                  | 44                           |
| Delaware             | 897,934                     | 45           | 907,135                    | 45           | 9,201               | 1.0%                  | 21                           |
| District of Columbia | 601,723                     | 50           | 617,996                    | 50           | 16,273              | 2.7%                  | 1                            |
| Florida              | 18,801,310                  | 4            | 19,057,542                 | 4            | 256,232             | 1.4%                  | 9                            |
| Georgia              | 9,687,653                   | 9            | 9,815,210                  | 9            | 127,557             | 1.3%                  | 10                           |
| Hawaii               | 1,360,301                   | 40           | 1,374,810                  | 40           | 14,509              | 1.1%                  | 19                           |
| Idaho                | 1,567,582                   | 39           | 1,584,985                  | 39           | 17,403              | 1.1%                  | 17                           |
| Illinois             | 12,830,632                  | 5            | 12,869,257                 | 5            | 38,625              | 0.3%                  | 43                           |
| Indiana              | 6,483,802                   | 15           | 6,516,922                  | 15           | 33,120              | 0.5%                  | 35                           |
| Iowa                 | 3,046,355                   | 30           | 3,062,309                  | 30           | 15,954              | 0.5%                  | 34                           |
| Kansas               | 2,853,118                   | 33           | 2,871,238                  | 33           | 18,120              | 0.6%                  | 32                           |
| Kentucky             | 4,339,367                   | 26           | 4,369,356                  | 26           | 29,989              | 0.7%                  | 31                           |
| Louisiana            | 4,533,372                   | 25           | 4,574,836                  | 25           | 41,464              | 0.9%                  | 23                           |
| Maine                | 1,328,361                   | 41           | 1,328,188                  | 41           | -173                | 0.0%                  | 49                           |
| Maryland             | 5,773,552                   | 19           | 5,828,289                  | 19           | 54,737              | 0.9%                  | 22                           |
| Massachusetts        | 6,547,629                   | 14           | 6,587,536                  | 14           | 39,907              | 0.6%                  | 33                           |
| Michigan             | 9,883,640                   | 8            | 9,876,187                  | 8            | -7,453              | -0.1%                 | 50                           |
| Minnesota            | 5,303,925                   | 21           | 5,344,861                  | 21           | 40,936              | 0.8%                  | 29                           |
| Mississippi          | 2,967,297                   | 31           | 2,978,512                  | 31           | 11,215              | 0.4%                  | 39                           |
| Missouri             | 5,988,927                   | 18           | 6,010,688                  | 18           | 21,761              | 0.4%                  | 40                           |
| Montana              | 989,415                     | 44           | 998,199                    | 44           | 8,784               | 0.9%                  | 26                           |
| Nebraska             | 1,826,341                   | 38           | 1,842,641                  | 38           | 16,300              | 0.9%                  | 25                           |
| Nevada               | 2,700,551                   | 35           | 2,723,322                  | 35           | 22,771              | 0.8%                  | 27                           |
| New Hampshire        | 1,316,470                   | 42           | 1,318,194                  | 42           | 1,724               | 0.1%                  | 45                           |
| New Jersey           | 8,791,894                   | 11           | 8,821,155                  | 11           | 29,261              | 0.3%                  | 41                           |
| New Mexico           | 2,059,179                   | 36           | 2,082,224                  | 36           | 23,045              | 1.1%                  | 16                           |
| New York             | 19,378,102                  | 3            | 19,465,197                 | 3            | 87,095              | 0.4%                  | 37                           |
| North Carolina       | 9,535,483                   | 10           | 9,656,401                  | 10           | 120,918             | 1.3%                  | 11                           |
| North Dakota         | 672,591                     | 48           | 683,932                    | 48           | 11,341              | 1.7%                  | 6                            |
| Ohio                 | 11,536,504                  | 7            | 11,544,951                 | 7            | 8,447               | 0.1%                  | 48                           |
| Oklahoma             | 3,751,351                   | 28           | 3,791,508                  | 28           | 40,157              | 1.1%                  | 18                           |
| Oregon               | 3,831,074                   | 27           | 3,871,859                  | 27           | 40,785              | 1.1%                  | 20                           |
| Pennsylvania         | 12,702,379                  | 6            | 12,742,886                 | 6            | 40,507              | 0.3%                  | 42                           |
| Rhode Island         | 1,052,567                   | 43           | 1,051,302                  | 43           | -1,265              | -0.1%                 | 51                           |
| South Carolina       | 4,625,364                   | 24           | 4,679,230                  | 24           | 53,866              | 1.2%                  | 15                           |
| South Dakota         | 814,180                     | 46           | 824,082                    | 46           | 9,902               | 1.2%                  | 12                           |
| Tennessee            | 6,346,105                   | 17           | 6,403,353                  | 17           | 57,248              | 0.9%                  | 24                           |
| Texas                | 25,145,561                  | 2            | 25,674,681                 | 2            | 529,120             | 2.1%                  | 2                            |
| Utah                 | 2,763,885                   | 34           | 2,817,222                  | 34           | 53,337              | 1.9%                  | 3                            |
| Vermont              | 625,741                     | 49           | 626,431                    | 49           | 690                 | 0.1%                  | 47                           |
| Virginia             | 8,001,024                   | 12           | 8,096,604                  | 12           | 95,580              | 1.2%                  | 13                           |
| Washington           | 6,724,540                   | 13           | 6,830,038                  | 13           | 105,498             | 1.6%                  | 7                            |
| West Virginia        | 1,852,994                   | 37           | 1,855,364                  | 37           | 2,370               | 0.1%                  | 46                           |
| Wisconsin            | 5,686,986                   | 20           | 5,711,767                  | 20           | 24,781              | 0.4%                  | 38                           |
| Wyoming              | 563,626                     | 51           | 568,158                    | 51           | 4,532               | 0.8%                  | 28                           |

Source: U.S. Census Bureau

## Employment, Wages, and Labor Force

Utah's economy has been on the mend throughout 2011. Several economic variables support this view, the most prominent being employment growth just below 3.0% at the end of 2011. Most indicators are pointing to a continuation of economic growth into 2012. It would probably take a strong negative national setback to throw this trend off course.

Utah's current employment growth is largely being driven by positive demographic factors. Labor force-age population grew by approximately 110,000 since the recession began in late 2007 and Utah's overall payroll employment count was down 40,000 during the same time. The disparity between labor-force growth and payroll-employment contraction generates commerce that leads to employment growth. Utah was near the top in state-rankings of percentage employment growth at the end of 2011.

Utah's major metropolitan areas are leading in the growth, even the hard-hit St. George area is expanding again, although

slowly. Utah and Davis counties are making the strongest rebound with employment growth over 4.0%. Gains in Salt Lake County are a bit more tempered, up 2.0%, but a bigger employment base requires larger numeric gains to match Utah and Davis county growth percentages. The rural counties are showing more delay in economic growth from the changing economy, with employment up in some counties, down in others.

### 2012 Outlook

The Utah employment situation is expected to improve during 2012. Employment growth for the year is forecast to be 2.7%. This is an acceleration above the 2.3% employment growth rate for 2011. A boost from the construction and housing industries would be welcomed to help foster this growth higher, but any significant lift from those industries is not anticipated for 2012. The estimated employment growth for 2012 would bring Utah employment levels just shy of their pre-recession peak in 2007. Labor force growth that occurred across that interval would still need to be employed, thus the unemployment rate is expected to remain elevated at 6.7%.

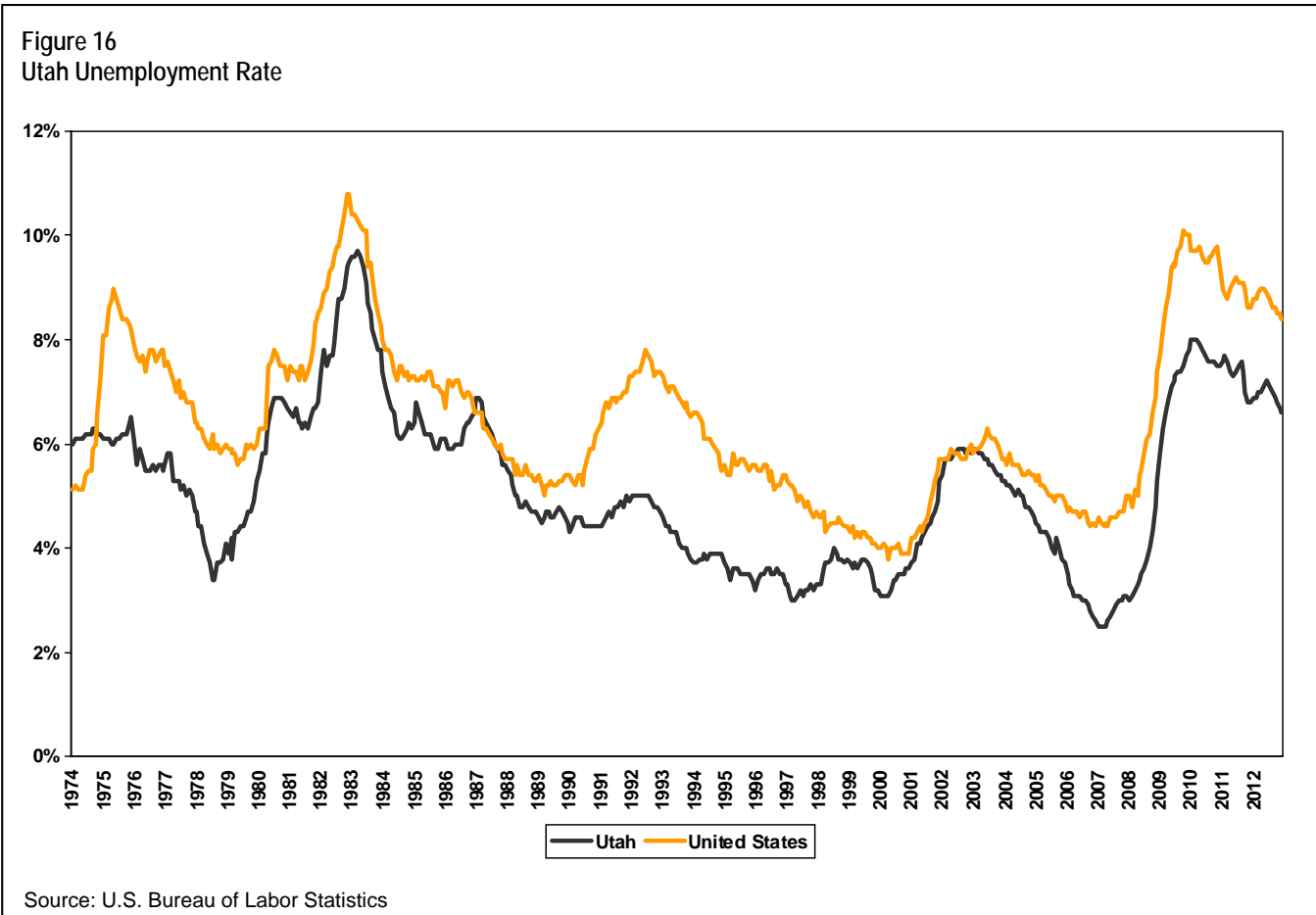
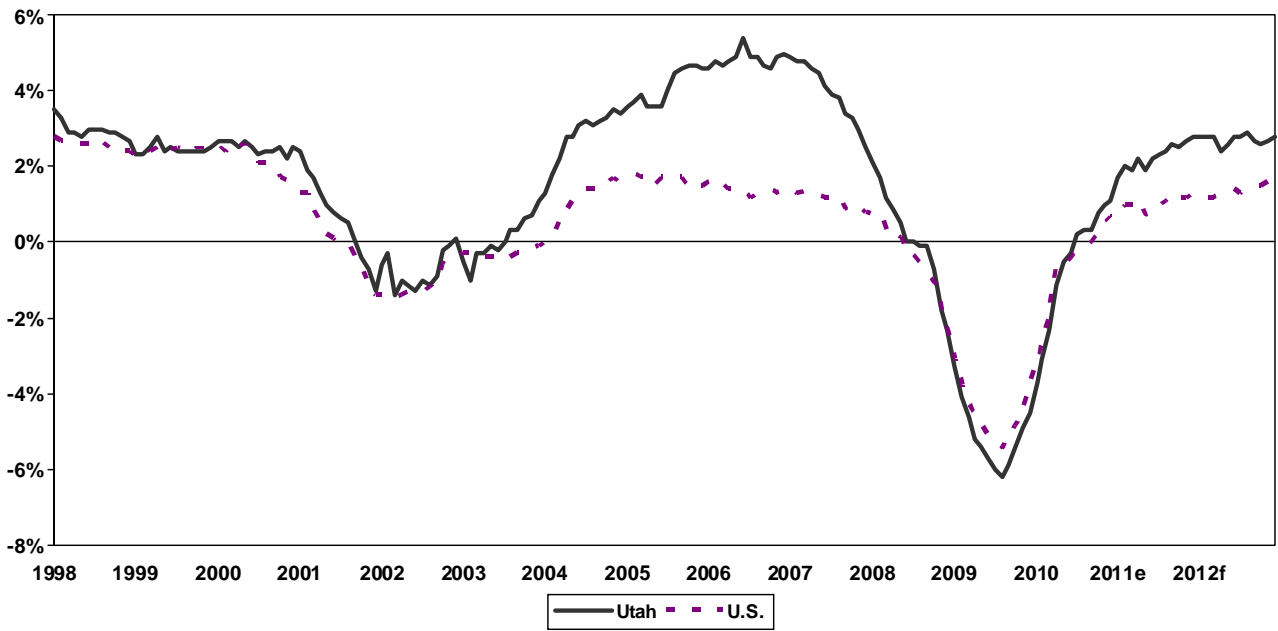
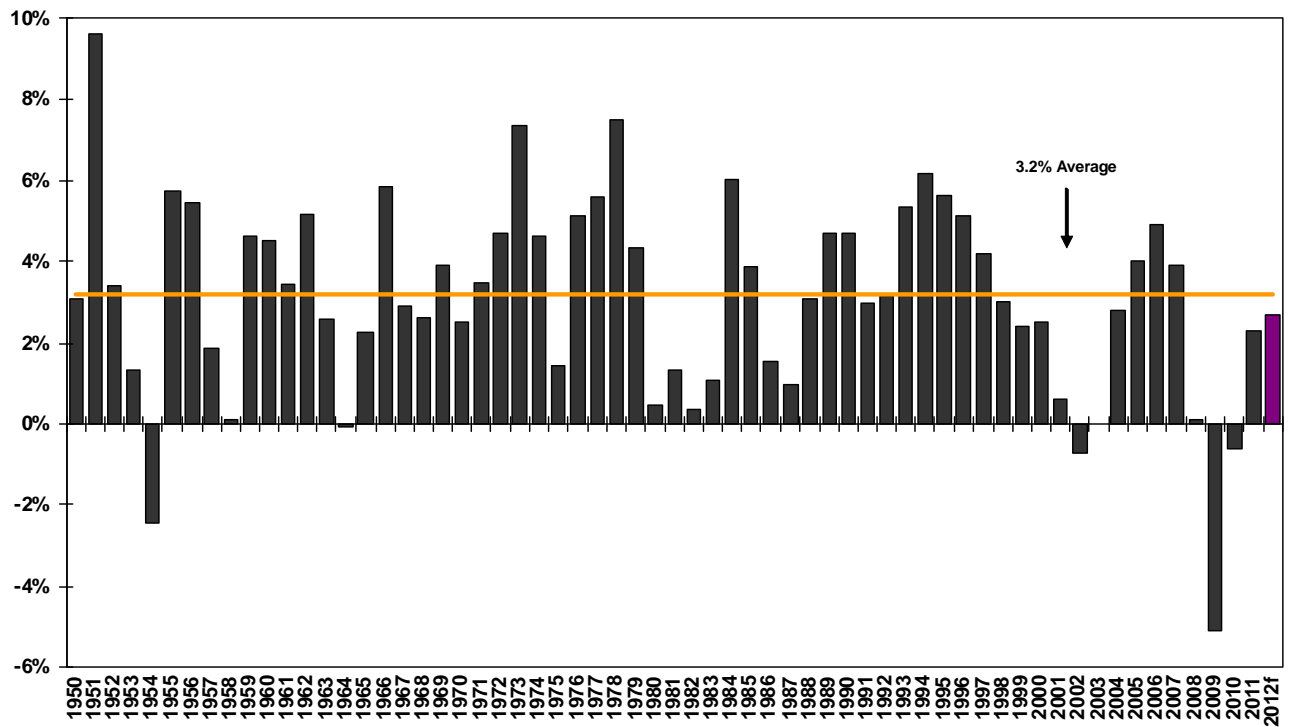


Figure 17  
Year-Over Monthly Change In Utah Nonfarm Jobs



Source: Utah Department of Workforce Services e = estimate f = forecast

Figure 18  
Annual Change Utah Nonfarm Employment



Source: Utah Department of Workforce Services e = estimate f = forecast

**Table 3**  
**Utah Nonfarm Employment by Industry and Unemployment Rate**

| Year | Total Payroll Employment |                |                 | Unemployment Rate | Year  | Total Payroll Employment |                |                 | Unemployment Rate |
|------|--------------------------|----------------|-----------------|-------------------|-------|--------------------------|----------------|-----------------|-------------------|
|      | Number                   | Percent Change | Absolute Change |                   |       | Number                   | Percent Change | Absolute Change |                   |
| 1950 | 189,153                  | 3.1            | 5,653           | 5.5               | 1982  | 560,981                  | 0.3            | 1,797           | 7.8               |
| 1951 | 207,386                  | 9.6            | 18,233          | 3.3               | 1983  | 566,991                  | 1.1            | 6,010           | 9.2               |
| 1952 | 214,409                  | 3.4            | 7,023           | 3.2               | 1984  | 601,068                  | 6.0            | 34,077          | 6.5               |
| 1953 | 217,194                  | 1.3            | 2,785           | 3.3               | 1985  | 624,387                  | 3.9            | 23,319          | 5.9               |
| 1954 | 211,864                  | -2.5           | -5,330          | 5.2               | 1986  | 634,138                  | 1.6            | 9,751           | 6.0               |
| 1955 | 224,007                  | 5.7            | 12,143          | 4.1               | 1987  | 640,298                  | 1.0            | 6,160           | 6.4               |
| 1956 | 236,225                  | 5.5            | 12,218          | 3.4               | 1988  | 660,075                  | 3.1            | 19,777          | 4.9               |
| 1957 | 240,577                  | 1.8            | 4,352           | 3.7               | 1989  | 691,244                  | 4.7            | 31,169          | 4.6               |
| 1958 | 240,816                  | 0.1            | 239             | 5.3               | 1990  | 723,629                  | 4.7            | 32,385          | 4.3               |
| 1959 | 251,940                  | 4.6            | 11,124          | 4.6               | 1991  | 745,202                  | 3.0            | 21,573          | 5.0               |
| 1960 | 263,307                  | 4.5            | 11,367          | 4.8               | 1992  | 768,602                  | 3.2            | 23,488          | 5.0               |
| 1961 | 272,355                  | 3.4            | 9,048           | 5.3               | 1993  | 809,731                  | 5.4            | 41,129          | 3.9               |
| 1962 | 286,382                  | 5.2            | 14,027          | 4.9               | 1994  | 859,626                  | 6.2            | 49,895          | 3.7               |
| 1963 | 293,758                  | 2.6            | 7,376           | 5.4               | 1995  | 907,886                  | 5.6            | 48,260          | 3.6               |
| 1964 | 293,576                  | -0.1           | -182            | 6.0               | 1996  | 954,183                  | 5.1            | 46,297          | 3.5               |
| 1965 | 300,164                  | 2.2            | 6,588           | 6.1               | 1997  | 993,999                  | 4.2            | 39,816          | 3.1               |
| 1966 | 317,771                  | 5.9            | 17,607          | 4.9               | 1998  | 1,023,480                | 3.0            | 29,461          | 3.8               |
| 1967 | 326,953                  | 2.9            | 9,182           | 5.2               | 1999  | 1,048,498                | 2.4            | 25,018          | 3.7               |
| 1968 | 335,527                  | 2.6            | 8,574           | 5.4               | 2000  | 1,074,879                | 2.5            | 26,381          | 3.4               |
| 1969 | 348,612                  | 3.9            | 13,085          | 5.2               | 2001  | 1,081,685                | 0.6            | 6,806           | 4.4               |
| 1970 | 357,435                  | 2.5            | 8,823           | 6.1               | 2002  | 1,073,746                | -0.7           | -7,939          | 5.7               |
| 1971 | 369,836                  | 3.5            | 12,401          | 6.6               | 2003  | 1,074,131                | 0.0            | 385             | 5.7               |
| 1972 | 387,271                  | 4.7            | 17,435          | 6.3               | 2004  | 1,104,328                | 2.8            | 30,197          | 5.2               |
| 1973 | 415,641                  | 7.3            | 28,370          | 5.8               | 2005  | 1,148,320                | 4.0            | 43,992          | 4.3               |
| 1974 | 434,793                  | 4.6            | 19,152          | 6.1               | 2006  | 1,203,914                | 4.8            | 55,594          | 2.9               |
| 1975 | 441,082                  | 1.4            | 6,289           | 6.5               | 2007  | 1,251,282                | 3.9            | 47,368          | 2.7               |
| 1976 | 463,658                  | 5.1            | 22,576          | 5.7               | 2008  | 1,252,470                | 0.1            | 1,188           | 3.7               |
| 1977 | 489,580                  | 5.6            | 25,922          | 5.3               | 2009  | 1,188,736                | -5.1           | -63,734         | 7.1               |
| 1978 | 526,400                  | 7.5            | 36,820          | 3.8               | 2010  | 1,181,519                | -0.6           | -7,217          | 8.0               |
| 1979 | 549,242                  | 4.3            | 22,842          | 4.3               | 2011e | 1,208,500                | 2.3            | 26,981          | 7.7               |
| 1980 | 551,889                  | 0.5            | 2,647           | 6.3               | 2012f | 1,241,300                | 2.7            | 32,800          | 6.7               |
| 1981 | 559,184                  | 1.3            | 7,295           | 6.7               |       |                          |                |                 |                   |

e = estimate

f = forecast

Source: Utah Department of Workforce Services, Workforce Information

Table 4  
Utah Population, Labor Force, Nonfarm Jobs and Wages

|                                  | 2008                  |           |           |           | 2009      |           |       |      | 2010 |       |       |      | 2011e |       |       |       | 2012f |  |
|----------------------------------|-----------------------|-----------|-----------|-----------|-----------|-----------|-------|------|------|-------|-------|------|-------|-------|-------|-------|-------|--|
|                                  | Annual Percent Change |           |           |           |           |           |       |      |      |       |       |      |       |       |       |       |       |  |
| Civilian Labor Force             | 1,368,182             | 1,383,202 | 1,378,900 | 1,380,900 | 1,380,900 | 1,395,735 | 1.1   | -0.3 | 0.1  | 1.1   | 1.1   | 0.1  | 1.1   | 1.1   | 1.1   | 1.1   |       |  |
| Employed Persons                 | 1,317,082             | 1,285,134 | 1,268,000 | 1,274,000 | 1,274,000 | 1,302,617 | -2.4  | -1.3 | 0.5  | 2.2   | 2.2   | 0.5  | 2.2   | 2.2   | 2.2   | 2.2   |       |  |
| Unemployed Persons               | 51,100                | 98,068    | 110,900   | 106,900   | 106,900   | 93,118    | 91.9  | 13.1 | -3.6 | -12.9 | -12.9 | -3.6 | -12.9 | -12.9 | -12.9 | -12.9 |       |  |
| Unemployment Rate                | 3.7                   | 7.1       | 8.0       | 7.7       | 7.7       | 6.7       |       |      |      |       |       |      |       |       |       |       |       |  |
| U.S. Rate                        | 5.8                   | 9.3       | 9.6       | 9.0       | 9.0       | 9.0       |       |      |      |       |       |      |       |       |       |       |       |  |
| Total Nonfarm Jobs               | 1,252,470             | 1,188,736 | 1,181,519 | 1,208,500 | 1,208,500 | 1,241,300 | -5.1  | -0.6 | 2.3  | 2.7   | 2.7   | 2.3  | 2.7   | 2.7   | 2.7   | 2.7   |       |  |
| Mining                           | 12,506                | 10,694    | 10,442    | 11,500    | 11,500    | 12,200    | -14.5 | -2.4 | 10.1 | 6.1   | 6.1   | 10.1 | 6.1   | 6.1   | 6.1   | 6.1   |       |  |
| Construction                     | 90,469                | 70,492    | 65,237    | 65,700    | 65,700    | 68,300    | -22.1 | -7.5 | 0.7  | 4.0   | 4.0   | 0.7  | 4.0   | 4.0   | 4.0   | 4.0   |       |  |
| Manufacturing                    | 125,852               | 112,874   | 111,080   | 113,300   | 113,300   | 116,200   | -10.3 | -1.6 | 2.0  | 2.6   | 2.6   | 2.0  | 2.6   | 2.6   | 2.6   | 2.6   |       |  |
| Trade, Trans., Utilities         | 247,978               | 234,097   | 229,128   | 233,600   | 233,600   | 237,300   | -5.6  | -2.1 | 2.0  | 1.6   | 1.6   | 2.0  | 1.6   | 1.6   | 1.6   | 1.6   |       |  |
| Information                      | 30,747                | 29,558    | 29,268    | 29,500    | 29,500    | 30,300    | -3.9  | -1.0 | 0.8  | 2.7   | 2.7   | 0.8  | 2.7   | 2.7   | 2.7   | 2.7   |       |  |
| Financial Activity               | 74,050                | 71,075    | 67,998    | 68,800    | 68,800    | 70,500    | -4.0  | -4.3 | 1.2  | 2.5   | 2.5   | 1.2  | 2.5   | 2.5   | 2.5   | 2.5   |       |  |
| Professional & Business Services | 162,194               | 149,517   | 152,374   | 157,700   | 157,700   | 166,000   | -7.8  | 1.9  | 3.5  | 5.3   | 5.3   | 3.5  | 5.3   | 5.3   | 5.3   | 5.3   |       |  |
| Education & Health Services      | 146,617               | 150,874   | 155,019   | 160,200   | 160,200   | 165,100   | 2.9   | 2.7  | 3.3  | 3.1   | 3.1   | 3.3  | 3.1   | 3.1   | 3.1   | 3.1   |       |  |
| Leisure & Hospitality            | 114,813               | 110,852   | 110,675   | 114,000   | 114,000   | 116,600   | -3.4  | -0.2 | 3.0  | 2.3   | 2.3   | 3.0  | 2.3   | 2.3   | 2.3   | 2.3   |       |  |
| Other Services                   | 35,534                | 34,024    | 33,630    | 34,000    | 34,000    | 34,800    | -4.2  | -1.2 | 1.1  | 2.4   | 2.4   | 1.1  | 2.4   | 2.4   | 2.4   | 2.4   |       |  |
| Government                       | 211,710               | 214,679   | 216,668   | 220,200   | 220,200   | 224,000   | 1.4   | 0.9  | 1.6  | 1.7   | 1.7   | 1.6  | 1.7   | 1.7   | 1.7   | 1.7   |       |  |
| Goods-producing                  | 228,827               | 194,060   | 186,759   | 190,500   | 190,500   | 196,700   | -15.2 | -3.8 | 2.0  | 3.3   | 3.3   | 2.0  | 3.3   | 3.3   | 3.3   | 3.3   |       |  |
| Service-producing                | 1,023,643             | 994,676   | 994,760   | 1,018,000 | 1,018,000 | 1,044,600 | -2.8  | 0.0  | 2.3  | 2.6   | 2.6   | 2.3  | 2.6   | 2.6   | 2.6   | 2.6   |       |  |
| Percent Svc.-producing           | 81.7%                 | 83.7%     | 84.2%     | 84.2%     | 84.2%     | 84.2%     |       |      |      |       |       |      |       |       |       |       |       |  |
| U.S. Nonfarm Job Growth %        | -0.6                  | -4.4      | -0.7      | 1.0       | 1.0       | 1.1       |       |      |      |       |       |      |       |       |       |       |       |  |
| Total Nonfarm Wages (millions)   | \$46,913              | \$45,242  | \$45,876  | \$48,111  | \$48,111  | \$50,980  | -3.6  | 1.4  | 4.9  | 6.0   | 6.0   | 4.9  | 6.0   | 6.0   | 6.0   | 6.0   |       |  |
| Average Annual Wage              | \$37,456              | \$38,059  | \$38,828  | \$39,811  | \$39,811  | \$41,070  | 1.6   | 2.0  | 2.5  | 3.2   | 3.2   | 2.5  | 3.2   | 3.2   | 3.2   | 3.2   |       |  |
| Average Monthly Wage             | \$3,121               | \$3,172   | \$3,236   | \$3,318   | \$3,318   | \$3,422   | 1.6   | 2.0  | 2.5  | 3.2   | 3.2   | 2.5  | 3.2   | 3.2   | 3.2   | 3.2   |       |  |
| Establishments (first quarter)   | 85,492                | 83,263    | 80,419    | 80,600    | 80,600    | 82,800    |       |      |      |       |       |      |       |       |       |       |       |  |

e = estimate

f = forecast

Note: Numbers in this table may differ from other tables as not all industrial sectors are listed here.

Source: Utah Department of Workforce Services, Workforce Information

## Personal Income

### Overview

Total personal income (TPI) is the sum of all individual personal income in a given region. There are three components of TPI: 1) earnings by place of work; 2) income from dividends, interest and rent (DIR); and, 3) income from transfer payments, such as social security, welfare and pensions. The largest component of TPI is typically earnings by place of work, which consists of the total earnings from farm and nonfarm industries including contributions for social insurance. Per capita income (PCI) is a region's total personal income divided by its total population. Personal income and per capita earnings data are reported quarterly by the U.S. Bureau of Economic Analysis.

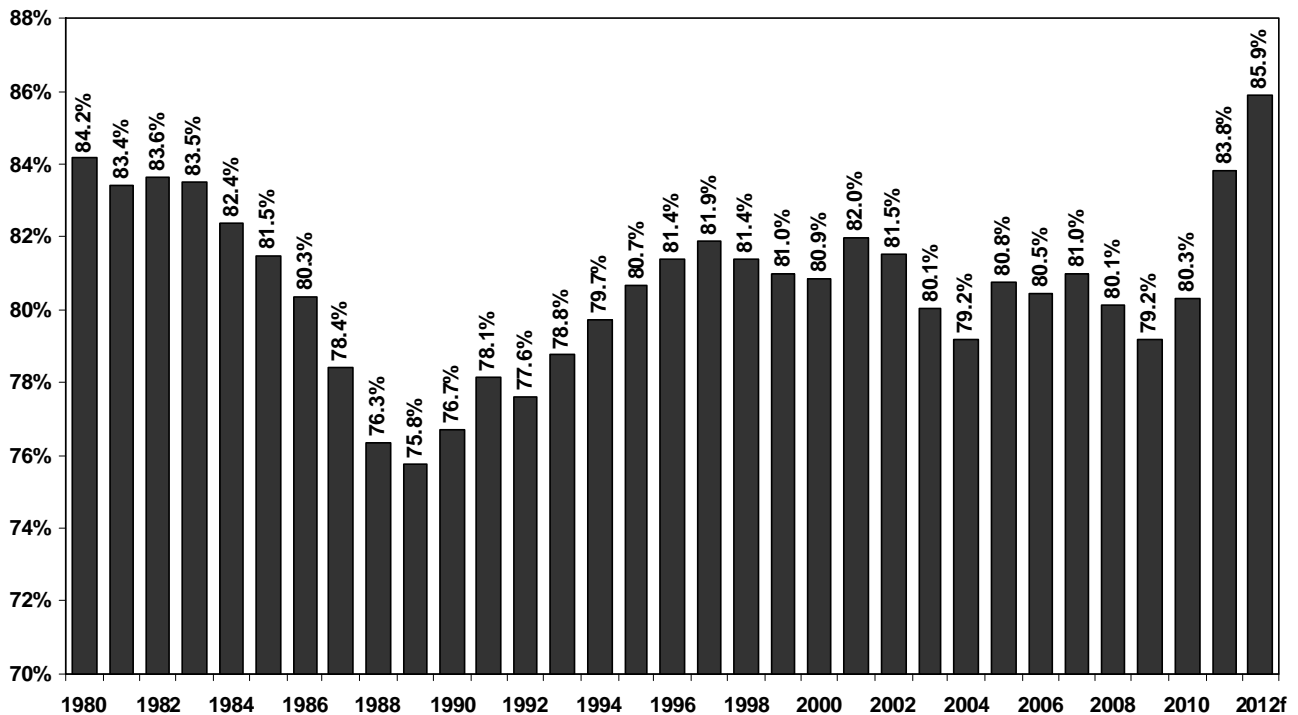
### 2012 Outlook

Utah's total personal income is expected to increase by 5.4% in 2011, much stronger growth compared to the 2.4% in-

crease in 2010. The 2011 increase in personal income was led by strong wage growth, 4.9%. All sources of income except interest income were positive in 2011.

Moving into 2012 as the economy continues to recover, Utah personal income is expected to increase by 4.7%, 1.6% above the anticipated U.S. increase. Strong wage growth (6%) and continued growth in proprietorship income (4.3%) is expected in 2012. Income from interest is forecast to fall 1.16%, as the Federal Reserve keeps interest rates at low levels through 2012. Growth in rental income is expected to slow, with only 1.3% growth, as the housing market starts to recover and renting starts to become less attractive. Continued growth in dividend income (9.7%) and transfer payments (3.3%) is expected in 2012. Per capita personal income is forecast to increase 5.7% in 2012.

Figure 19  
Utah Per Capita Personal Income as a Percent of the United States



Note: Vertical axis does not begin at zero f = forecast

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Governor's Office of Planning and Budget

**Table 5**  
**Personal and Per Capita Income**

| Year  | Total Personal Income<br>(Dollars) |                |                      | Annual Growth Rates |               | Per Capita Personal Income<br>(Dollars) |               |                      |
|-------|------------------------------------|----------------|----------------------|---------------------|---------------|---|---------------|----------------------|
|       | Utah                               | United States  | Utah as %<br>of U.S. | Utah                | United States | Utah                                    | United States | Utah as %<br>of U.S. |
|       |                                    |                |                      |                     |               |   |               |                      |
| 1960  | \$1,827,251                        | \$408,128,000  | 0.45%                |                     |               | \$2,030                                 | \$2,268       | 89.5%                |
| 1961  | 1,951,550                          | 425,625,000    | 0.46%                | 6.8%                | 4.3%          | 2,085                                   | 2,326         | 89.6%                |
| 1962  | 2,131,718                          | 453,003,000    | 0.47%                | 9.2%                | 6.4%          | 2,225                                   | 2,439         | 91.2%                |
| 1963  | 2,215,267                          | 475,971,000    | 0.47%                | 3.9%                | 5.1%          | 2,274                                   | 2,526         | 90.0%                |
| 1964  | 2,327,175                          | 510,348,000    | 0.46%                | 5.1%                | 7.2%          | 2,380                                   | 2,671         | 89.1%                |
| 1965  | 2,463,814                          | 551,193,000    | 0.45%                | 5.9%                | 8.0%          | 2,479                                   | 2,849         | 87.0%                |
| 1966  | 2,617,442                          | 598,480,000    | 0.44%                | 6.2%                | 8.6%          | 2,594                                   | 3,061         | 84.7%                |
| 1967  | 2,764,340                          | 641,974,000    | 0.43%                | 5.6%                | 7.3%          | 2,713                                   | 3,253         | 83.4%                |
| 1968  | 2,975,393                          | 704,759,000    | 0.42%                | 7.6%                | 9.8%          | 2,892                                   | 3,536         | 81.8%                |
| 1969  | 3,251,099                          | 772,084,000    | 0.42%                | 9.3%                | 9.6%          | 3,105                                   | 3,836         | 80.9%                |
| 1970  | 3,611,237                          | 832,238,000    | 0.43%                | 11.1%               | 7.8%          | 3,389                                   | 4,084         | 83.0%                |
| 1971  | 4,016,049                          | 897,559,000    | 0.45%                | 11.2%               | 7.8%          | 3,649                                   | 4,340         | 84.1%                |
| 1972  | 4,505,225                          | 987,073,000    | 0.46%                | 12.2%               | 10.0%         | 3,971                                   | 4,717         | 84.2%                |
| 1973  | 5,044,791                          | 1,105,426,000  | 0.46%                | 12.0%               | 12.0%         | 4,316                                   | 5,230         | 82.5%                |
| 1974  | 5,680,307                          | 1,217,673,000  | 0.47%                | 12.6%               | 10.2%         | 4,738                                   | 5,708         | 83.0%                |
| 1975  | 6,383,606                          | 1,329,714,000  | 0.48%                | 12.4%               | 9.2%          | 5,173                                   | 6,172         | 83.8%                |
| 1976  | 7,322,002                          | 1,469,355,000  | 0.50%                | 14.7%               | 10.5%         | 5,755                                   | 6,754         | 85.2%                |
| 1977  | 8,350,739                          | 1,626,621,000  | 0.51%                | 14.0%               | 10.7%         | 6,344                                   | 7,402         | 85.7%                |
| 1978  | 9,624,760                          | 1,830,836,000  | 0.53%                | 15.3%               | 12.6%         | 7,055                                   | 8,243         | 85.6%                |
| 1979  | 11,033,558                         | 2,052,037,000  | 0.54%                | 14.6%               | 12.1%         | 7,792                                   | 9,138         | 85.3%                |
| 1980  | 12,505,546                         | 2,292,903,000  | 0.55%                | 13.3%               | 11.7%         | 8,492                                   | 10,091        | 84.2%                |
| 1981  | 14,164,852                         | 2,572,070,000  | 0.55%                | 13.3%               | 12.2%         | 9,347                                   | 11,209        | 83.4%                |
| 1982  | 15,509,675                         | 2,757,048,000  | 0.56%                | 9.5%                | 7.2%          | 9,953                                   | 11,901        | 83.6%                |
| 1983  | 16,755,896                         | 2,941,857,000  | 0.57%                | 8.0%                | 6.7%          | 10,506                                  | 12,583        | 83.5%                |
| 1984  | 18,447,506                         | 3,256,048,000  | 0.57%                | 10.1%               | 10.7%         | 11,371                                  | 13,807        | 82.4%                |
| 1985  | 19,592,700                         | 3,482,520,000  | 0.56%                | 6.2%                | 7.0%          | 11,926                                  | 14,637        | 81.5%                |
| 1986  | 20,489,507                         | 3,683,091,000  | 0.56%                | 4.6%                | 5.8%          | 12,322                                  | 15,338        | 80.3%                |
| 1987  | 21,231,293                         | 3,909,771,000  | 0.54%                | 3.6%                | 6.2%          | 12,652                                  | 16,137        | 78.4%                |
| 1988  | 22,235,719                         | 4,216,123,000  | 0.53%                | 4.7%                | 7.8%          | 13,162                                  | 17,244        | 76.3%                |
| 1989  | 23,782,174                         | 4,541,996,000  | 0.52%                | 7.0%                | 7.7%          | 13,941                                  | 18,402        | 75.8%                |
| 1990  | 25,703,869                         | 4,831,282,000  | 0.53%                | 8.1%                | 6.4%          | 14,847                                  | 19,354        | 76.7%                |
| 1991  | 27,549,134                         | 5,013,484,000  | 0.55%                | 7.2%                | 3.8%          | 15,479                                  | 19,818        | 78.1%                |
| 1992  | 29,635,837                         | 5,335,268,000  | 0.56%                | 7.6%                | 6.4%          | 16,135                                  | 20,799        | 77.6%                |
| 1993  | 31,978,241                         | 5,558,374,000  | 0.58%                | 7.9%                | 4.2%          | 16,845                                  | 21,385        | 78.8%                |
| 1994  | 34,847,778                         | 5,866,796,000  | 0.59%                | 9.0%                | 5.5%          | 17,775                                  | 22,297        | 79.7%                |
| 1995  | 37,795,185                         | 6,194,245,000  | 0.61%                | 8.5%                | 5.6%          | 18,765                                  | 23,262        | 80.7%                |
| 1996  | 41,150,761                         | 6,584,404,000  | 0.62%                | 8.9%                | 6.3%          | 19,899                                  | 24,442        | 81.4%                |
| 1997  | 44,517,564                         | 6,994,388,000  | 0.64%                | 8.2%                | 6.2%          | 21,001                                  | 25,654        | 81.9%                |
| 1998  | 48,057,488                         | 7,519,327,000  | 0.64%                | 8.0%                | 7.5%          | 22,188                                  | 27,258        | 81.4%                |
| 1999  | 50,554,948                         | 7,906,131,000  | 0.64%                | 5.2%                | 5.1%          | 22,943                                  | 28,333        | 81.0%                |
| 2000  | 55,024,962                         | 8,554,866,000  | 0.64%                | 8.8%                | 8.2%          | 24,517                                  | 30,318        | 80.9%                |
| 2001  | 58,503,761                         | 8,878,830,000  | 0.66%                | 6.3%                | 3.8%          | 25,534                                  | 31,145        | 82.0%                |
| 2002  | 59,873,183                         | 9,054,702,000  | 0.66%                | 2.3%                | 2.0%          | 25,647                                  | 31,461        | 81.5%                |
| 2003  | 61,484,844                         | 9,369,072,000  | 0.66%                | 2.7%                | 3.5%          | 25,835                                  | 32,271        | 80.1%                |
| 2004  | 65,452,597                         | 9,928,790,000  | 0.66%                | 6.5%                | 6.0%          | 26,837                                  | 33,881        | 79.2%                |
| 2005  | 71,529,976                         | 10,476,669,000 | 0.68%                | 9.3%                | 5.5%          | 28,616                                  | 35,424        | 80.8%                |
| 2006  | 78,378,401                         | 11,256,516,000 | 0.70%                | 9.6%                | 7.4%          | 30,335                                  | 37,698        | 80.5%                |
| 2007  | 85,116,065                         | 11,899,853,000 | 0.72%                | 8.6%                | 5.7%          | 31,953                                  | 39,458        | 81.0%                |
| 2008  | 88,901,329                         | 12,379,745,000 | 0.72%                | 4.4%                | 4.0%          | 32,596                                  | 40,673        | 80.1%                |
| 2009  | 87,947,247                         | 12,168,161,000 | 0.72%                | -1.1%               | -1.7%         | 30,758                                  | 38,845        | 79.2%                |
| 2010  | 90,090,080                         | 12,530,101,184 | 0.72%                | 2.4%                | 3.0%          | 32,595                                  | 40,584        | 80.3%                |
| 2011e | 94,954,944                         | 13,156,606,243 | 0.72%                | 5.4%                | 5.0%          | 36,073                                  | 43,039        | 83.8%                |
| 2012f | 99,417,827                         | 13,567,232,733 | 0.73%                | 4.7%                | 3.1%          | 38,129                                  | 44,383        | 85.9%                |

e = estimate  
f = forecast

Sources:

1. U.S. Department of Commerce, Bureau of Economic Analysis
2. Utah Revenue Assumptions Working Group

## Utah Taxable Sales

### Overview

Taxable sales are comprised of three major components: retail trade, business investments and utility taxable sales, and taxable services. In 2011, total taxable sales in Utah increased by 5.6% to an estimated \$46.8 billion. After three years of decline in taxable sales, 2011 was the first year of positive change.

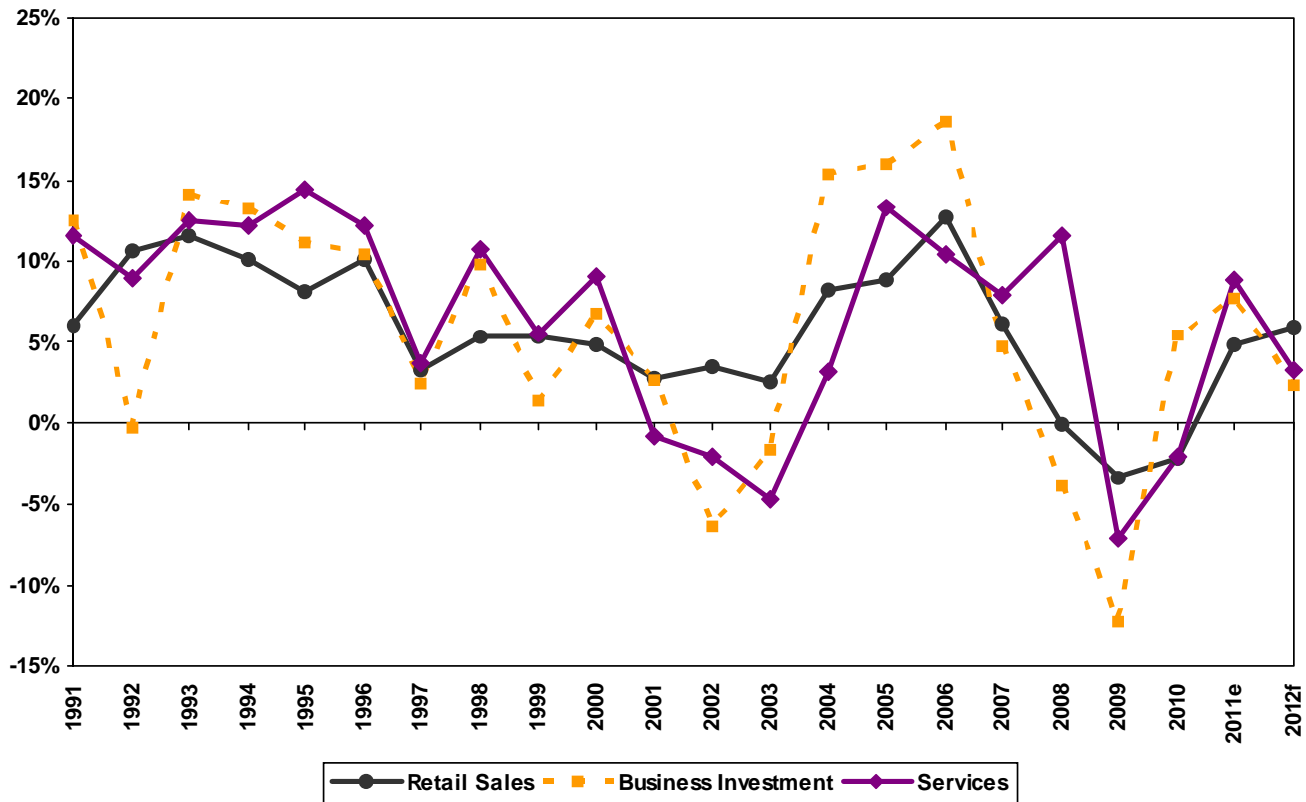
Retail trade taxable sales were an estimated \$26.3 billion in 2011, representing 56.1% of taxable sales. This is a 4.8% increase from 2010. Business investment and utility taxable sales were an estimated \$12.6 billion in 2011, representing 26.9% of taxable sales. This is an increase of 7.7% over 2010.

Taxable services were estimated at \$6.8 billion for 2011, representing 14.5% of all taxable sales—an 8.8% increase over 2010.

### 2012 Outlook

Total taxable sales are expected to increase by 4.3% to \$48.8 billion, from \$46.8 billion between 2011 and 2012. Retail trade is projected to grow by 5.9% in 2012. Business investment and utility taxable sales is expected to grow another 2.3% in 2012. Taxable services are expected to increase by 3.2% in 2012. The economy is expected to continue on a slow path to recovery as the credit market becomes less and less tight and both investor and consumer confidence continues to grow.

Figure 20  
Change in Taxable Sales by Major Sector



Source: Utah State Tax Commission e = estimate f = forecast



**Table 6**  
**Utah Taxable Sales by Component**

| Calendar Year | Millions of Dollars |                      |                  |           |                     | Percent Change |                      |                  |           |                     |
|---------------|---------------------|----------------------|------------------|-----------|---------------------|----------------|----------------------|------------------|-----------|---------------------|
|               | Business            |                      |                  |           | Total Taxable Sales | Business       |                      |                  |           | Total Taxable Sales |
|               | Retail Sales        | Investment Purchases | Taxable Services | All Other |                     | Retail Sales   | Investment Purchases | Taxable Services | All Other |                     |
| 1985          | \$6,708             | \$4,122              | \$1,379          | \$304     | \$12,513            | 4.8%           | -3.1%                | 4.0%             | 7.0%      | 2.0%                |
| 1986          | 7,010               | 3,689                | 1,414            | 265       | 12,378              | 4.5            | -10.5                | -1.8             | -12.7     | -1.6                |
| 1987          | 6,951               | 3,398                | 1,587            | 252       | 12,188              | -0.8           | -7.9                 | 12.3             | -5.0      | -1.5                |
| 1988          | 7,346               | 3,684                | 1,718            | 269       | 13,017              | 5.7            | 8.4                  | 8.2              | 6.7       | 6.8                 |
| 1989          | 8,048               | 3,675                | 1,849            | 320       | 13,892              | 9.6            | -0.2                 | 7.6              | 18.8      | 6.7                 |
| 1990          | 8,407               | 3,874                | 1,829            | 664       | 14,774              | 4.5            | 5.4                  | -1.1             | 107.8     | 6.3                 |
| 1991          | 8,918               | 4,355                | 2,040            | 685       | 15,998              | 6.1            | 12.4                 | 11.6             | 3.2       | 8.3                 |
| 1992          | 9,860               | 4,342                | 2,223            | 888       | 17,313              | 10.6           | -0.3                 | 9.0              | 29.6      | 8.2                 |
| 1993          | 10,994              | 4,956                | 2,499            | 892       | 19,341              | 11.5           | 14.1                 | 12.4             | 0.5       | 11.7                |
| 1994          | 12,097              | 5,609                | 2,802            | 1,019     | 21,527              | 10.0           | 13.2                 | 12.1             | 14.2      | 11.3                |
| 1995          | 13,080              | 6,231                | 3,205            | 1,093     | 23,609              | 8.1            | 11.1                 | 14.4             | 7.2       | 9.7                 |
| 1996          | 14,404              | 6,878                | 3,594            | 968       | 25,844              | 10.1           | 10.4                 | 12.1             | -11.4     | 9.5                 |
| 1997          | 14,873              | 7,044                | 3,724            | 1,188     | 26,829              | 3.3            | 2.4                  | 3.6              | 22.7      | 3.8                 |
| 1998          | 15,657              | 7,729                | 4,122            | 1,137     | 28,646              | 5.3            | 9.7                  | 10.7             | -4.2      | 6.8                 |
| 1999          | 16,493              | 7,839                | 4,351            | 1,316     | 29,999              | 5.3            | 1.4                  | 5.5              | 15.7      | 4.7                 |
| 2000          | 17,278              | 8,372                | 4,746            | 1,250     | 31,645              | 4.8            | 6.8                  | 9.1              | -5.0      | 5.5                 |
| 2001          | 17,748              | 8,588                | 4,709            | 1,381     | 32,426              | 2.7            | 2.6                  | -0.8             | 10.5      | 2.5                 |
| 2002          | 18,356              | 8,039                | 4,615            | 1,502     | 32,512              | 3.4            | -6.4                 | -2.0             | 8.8       | 0.3                 |
| 2003          | 18,808              | 7,909                | 4,396            | 1,447     | 32,560              | 2.5            | -1.6                 | -4.7             | -3.7      | 0.1                 |
| 2004          | 20,351              | 9,121                | 4,534            | 1,305     | 35,311              | 8.2            | 15.3                 | 3.1              | -9.8      | 8.4                 |
| 2005          | 22,155              | 10,579               | 5,135            | 1,372     | 39,241              | 8.9            | 16.0                 | 13.3             | 5.1       | 11.1                |
| 2006          | 24,969              | 12,546               | 5,670            | 1,610     | 44,795              | 12.7           | 18.6                 | 10.4             | 17.3      | 14.2                |
| 2007          | 26,504              | 13,136               | 6,119            | 1,931     | 47,690              | 6.1            | 4.7                  | 7.9              | 19.9      | 6.5                 |
| 2008          | 26,489              | 12,628               | 6,822            | 1,422     | 47,361              | -0.1           | -3.9                 | 11.5             | -26.3     | -0.7                |
| 2009          | 25,600              | 11,071               | 6,338            | 1,400     | 44,409              | -3.4           | -12.3                | -7.1             | -1.6      | -6.2                |
| 2010          | 25,061              | 11,667               | 6,213            | 1,350     | 44,292              | -2.1           | 5.4                  | -2.0             | -3.6      | -0.3                |
| 2011e         | 26,255              | 12,567               | 6,757            | 1,197     | 46,775              | 4.8            | 7.7                  | 8.8              | -11.4     | 5.6                 |
| 2012f         | 27,804              | 12,856               | 6,973            | 1,170     | 48,803              | 5.9            | 2.3                  | 3.2              | -2.2      | 4.3                 |

e = estimate f = forecast

Source: Utah State Tax Commission

## Tax Collections

### Overview

General and Education Fund (GF/EF) revenue for Fiscal Year 2011 increased 11.1% over Fiscal Year 2010. For Fiscal Year 2011, total collections reached \$4,658.5 million, \$464.9 million more than prior year collections of \$4,193.6 million. The increase in revenue is attributable to an improving economy, temporary policy changes with earmarked funds, and a tax increase on tobacco products. This is the first time revenues have increased since Fiscal Year 2007, having declined 1.8%, 12.5%, 8.1% in the prior three fiscal years.

Compared to forecast expectations, GF/EF collections in FY2011 were \$97.7 million in surplus, a 2.3% difference. Revenue was expected to rise \$368.0 million or 8.8% in FY2010; collections actually rose \$465.7 million or 11.1%.

The outlook for tax collections in FY2012 is positive, with expected collections of \$4,753.5 million. A growing economy, partially offset by a shift in the earmarking of funds is expected to produce an extra \$95.0 million in GF/EF tax collections, a 2.0% increase. This is \$73.3 million higher than forecast in the 2011 General Legislative Session. General Fund collections are expected to fall \$17.8 million or 0.9%. Education Fund collections are expected to grow \$112.8 million or 4.3%.

### Fiscal Year 2011 Tax Collections

Tax collections in the GF/EF reached \$4,658.5 million in FY2011, an increase of \$464.9 million or 11.1% over prior year. The General Fund rose to \$2,046.3 million, a gain of \$264.9 million or 14.9%. The Education Fund rose to \$2,612.2 million, a gain of \$200.0 million or 8.3%.

The General Fund was 43.9% of all collections, and the Education Fund the balance at 56.1%. Individual Income tax collections were \$2,298.2 million and represent 49.3% of all collections. Sales and Use Tax collections were \$1,601.4 million and were 34.4% of collections. All other General Fund collections were \$444.9 million and represent 9.5% of collections. All other Education Fund collections were \$314.1 million and represent 6.7% of collections.

### 2011 Revenue Forecast

The first consensus forecast for FY2011, in November 2009 was for tax collections of \$4,410.7 million, a 4.5% increase over prior year. Months later, in early 2010, the forecast predicted \$4,361.1 million a rise of \$141.0 million or 3.3%. After realizing FY2010 revenue at \$4,193.6 million, a \$26.5 million revenue deficit, the FY2011 revenue forecast was increased \$176.1 million to \$4,537.1 million or 8.2% almost entirely due to policy changes enacted in the 2010 General Legislative Session. The last consensus revenue forecast in February 2011, with four months until the end of FY2011, raised the revenue forecast \$25.1 million to \$4,562.3 million or growth of 8.8%. Actual tax collections for FY2011 exceeded this estimate by \$97.7 million, growing 11.1% instead of 8.8%.

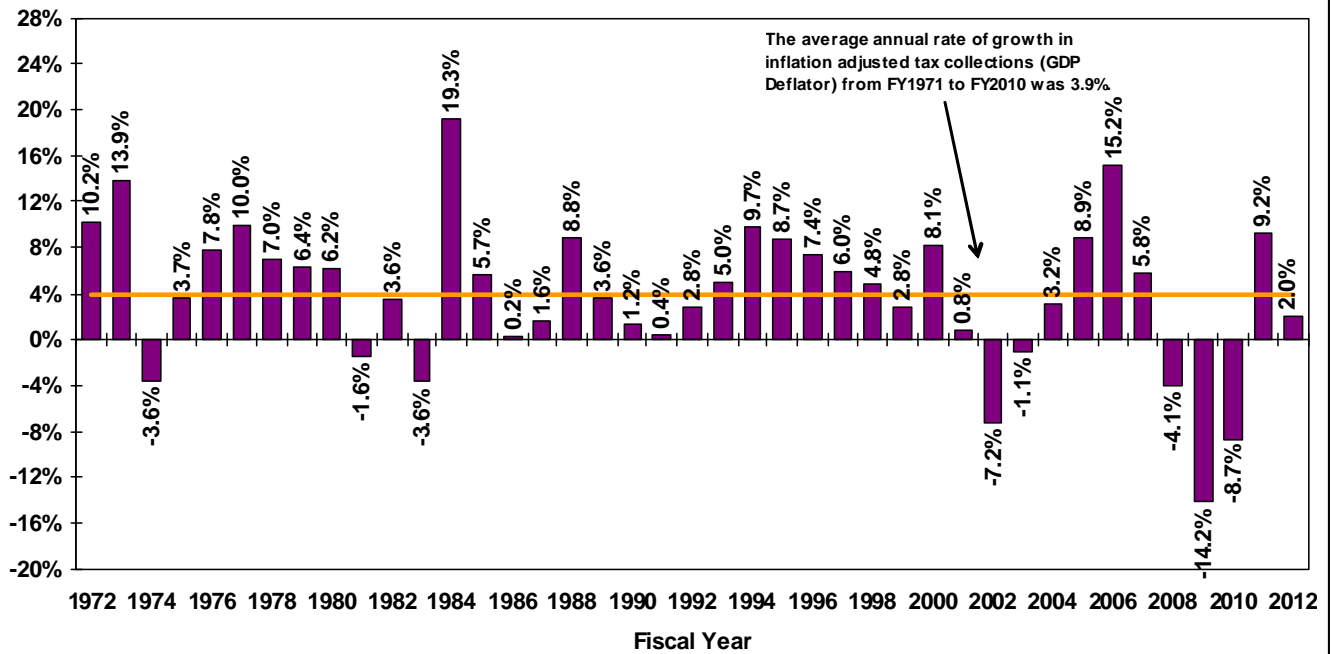
### 2011 Legislation Impacting Tax Collections

During the 2011 General Legislative Session, several bills impacting tax collections were enacted. A major policy change from the prior session, HB438, shifted \$113 million in sales tax earmarked for transportation spending back to the GF for FY2011 only. Though it appears the sales tax is forecast to fall \$39.4 million or 2.5%, due to the shifting earmark it is actually growing near 5%. Further earmarking of the sales tax was enacted with SB229. Starting in FY2013, this bill earmarks 30% of the future growth in state collected sales tax to the Centennial Highway Fund. The current forecast places this additional earmark at \$60.0 million in FY2013. Total earmarks are expected to reach \$401.6 million in FY2013 just over 20% of expected total sales tax collections.

### 2012 Revenue Forecast

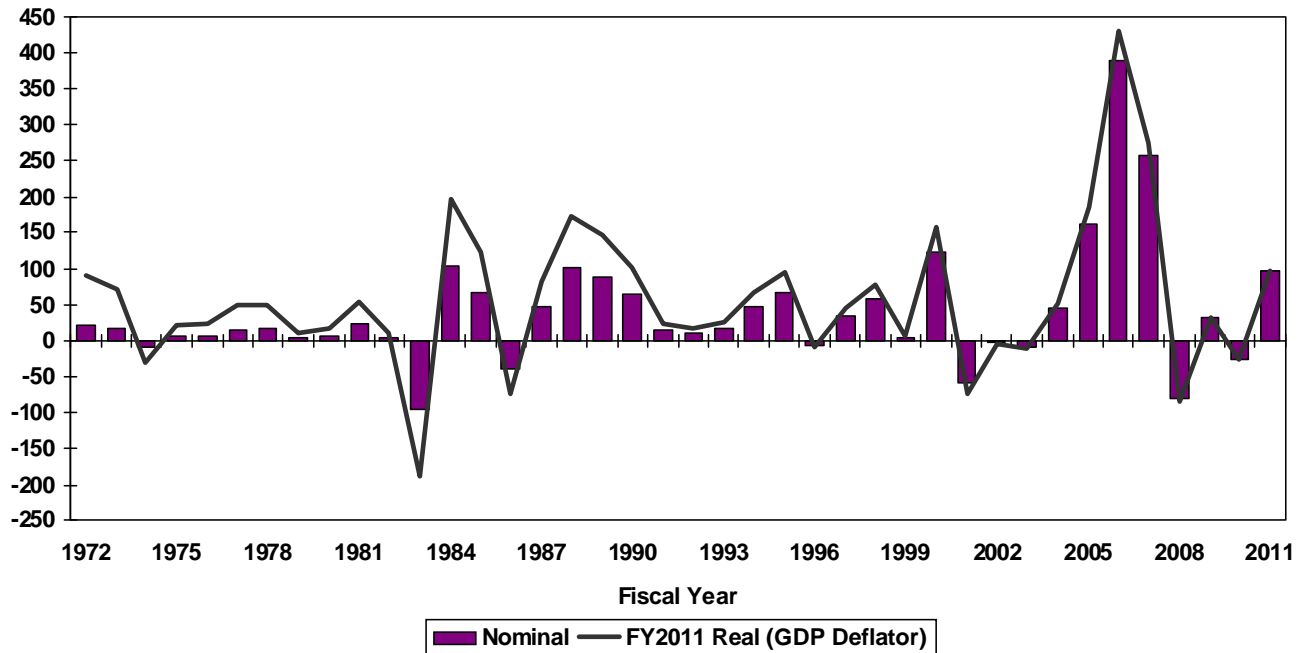
The initial forecast for FY2012, in November 2010 was for tax collections of \$4,629.4 million, 2.0% higher than prior year. Months later, in early 2011, the consensus forecast was revised up \$47.4 million to \$4,676.8 million or growth of 2.5%. Projected policy changes from 2011 legislation did not substantively affect the forecast (total impacts being estimated at \$3.3 million). In November 2011, with FY2011 revenue realized at \$4,658.5 million or 11.1% growth, and a continued economic recovery, tax collections in FY2012 were forecast to grow to \$4,753.5 million or 2.0%, an increase of \$95.0 million.

Figure 21  
Inflation-Adjusted Percent Change in General/Education Fund Revenue



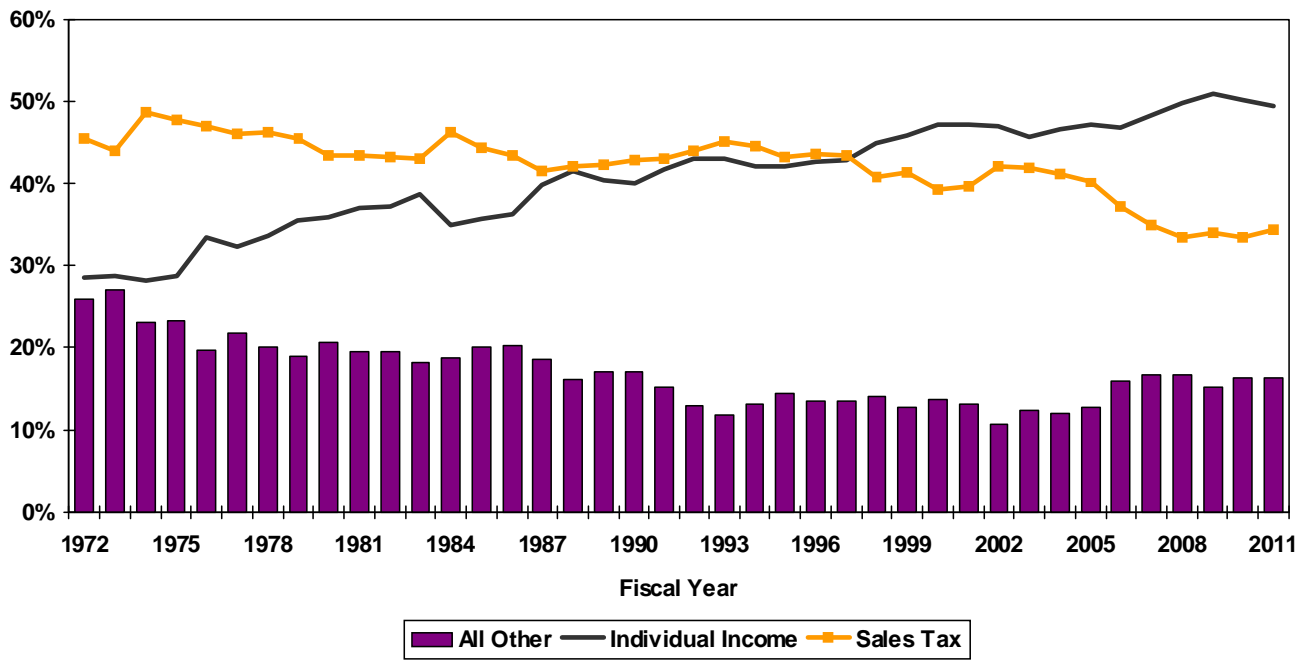
Source: Governor's Office of Planning and Budget f = forecast

Figure 22  
Actual and Inflation-Adjusted Revenue Surplus for the General and Education Fund Revenue



Source: Governor's Office of Planning and Budget f = forecast

Figure 23  
Composition of the General and Education Fund Revenue



Source: Governor's Office of Planning and Budget f = forecast

**Table 7**  
Fiscal Year Cash Collections Unrestricted Revenues

| Revenue Source                   | Nominal Revenue (millions) |                |                |                |                |                |                |                |                |                |                |                |                |                |                |  |
|----------------------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
|                                  | 1998                       | 1999           | 2000           | 2001           | 2002           | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012f          |  |
| Sales and Use Tax                | \$1,251.8                  | \$1,316.4      | \$1,369.6      | \$1,431.4      | \$1,441.3      | \$1,444.0      | \$1,501.9      | \$1,634.5      | \$1,806.3      | \$1,857.8      | \$1,739.4      | \$1,547.5      | \$1,402.7      | \$1,601.4      | \$1,562.0      |  |
| Cable/Satellite Excise Tax       | 0.0                        | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 11.7           | 20.5           | 20.8           | 24.1           | 24.8           | 25.3           | 25.4           | 25.9           |  |
| Liquor Profits                   | 26.3                       | 27.0           | 28.7           | 30.3           | 32.6           | 31.7           | 37.7           | 38.1           | 47.3           | 53.2           | 59.7           | 59.7           | 58.4           | 62.3           | 65.9           |  |
| Insurance Premiums               | 44.6                       | 47.7           | 52.2           | 46.0           | 56.6           | 59.0           | 62.4           | 67.4           | 71.4           | 71.8           | 77.2           | 83.0           | 80.0           | 75.9           | 79.6           |  |
| Beer, Cigarette, and Tobacco     | 53.2                       | 60.0           | 58.0           | 57.9           | 60.0           | 54.2           | 62.8           | 61.9           | 60.8           | 62.4           | 62.8           | 60.6           | 58.7           | 125.5          | 127.8          |  |
| Oil and Gas Severance Tax        | 14.0                       | 7.9            | 17.3           | 39.4           | 18.9           | 26.7           | 36.7           | 53.5           | 71.5           | 65.4           | 65.5           | 71.0           | 56.2           | 59.9           | 66.6           |  |
| Metal Severance Tax              | 9.0                        | 5.1            | 5.7            | 6.2            | 5.0            | 5.8            | 6.0            | 11.4           | 17.0           | 23.6           | 26.5           | 14.6           | 20.9           | 27.1           | 26.9           |  |
| Inheritance Tax                  | 25.4                       | 8.2            | 64.6           | 30.0           | 9.4            | 33.0           | 9.7            | 3.0            | 7.4            | 0.5            | 0.1            | 0.3            | 0.1            | 0.1            | 0.1            |  |
| Investment Income                | 15.7                       | 15.0           | 19.5           | 27.5           | 9.7            | 6.5            | 5.5            | 13.6           | 40.0           | 83.5           | 62.8           | 25.1           | 5.3            | 2.4            | 2.8            |  |
| General Fund Other               | 40.1                       | 38.0           | 40.8           | 46.0           | 45.3           | 46.7           | 45.6           | 46.4           | 50.8           | 58.0           | 53.4           | 54.4           | 80.3           | 72.3           | 77.2           |  |
| Property and Energy Credit       | -4.5                       | -5.3           | -4.4           | -5.4           | -5.3           | -5.5           | -5.6           | -5.9           | -5.6           | -6.2           | -6.4           | -6.2           | -6.4           | -6.0           | -6.3           |  |
| <b>General Fund Total</b>        | <b>1,475.6</b>             | <b>1,520.2</b> | <b>1,652.1</b> | <b>1,709.3</b> | <b>1,673.5</b> | <b>1,702.1</b> | <b>1,762.7</b> | <b>1,935.4</b> | <b>2,187.5</b> | <b>2,290.9</b> | <b>2,165.1</b> | <b>1,934.6</b> | <b>1,781.4</b> | <b>2,046.3</b> | <b>2,028.5</b> |  |
| Individual Income Tax            | 1,374.5                    | 1,461.3        | 1,651.4        | 1,705.3        | 1,605.3        | 1,572.5        | 1,692.3        | 1,926.6        | 2,277.6        | 2,561.4        | 2,598.8        | 2,319.6        | 2,104.6        | 2,298.2        | 2,435.9        |  |
| Corporate Tax                    | 191.8                      | 188.1          | 181.1          | 171.1          | 119.0          | 156.3          | 158.2          | 204.2          | 366.6          | 414.1          | 405.1          | 255.4          | 258.4          | 260.7          | 254.4          |  |
| Mineral Production Withholding   | 7.5                        | 6.8            | 9.3            | 19.5           | 13.2           | 7.2            | 17.3           | 16.7           | 22.7           | 23.1           | 23.8           | 32.5           | 24.6           | 26.7           | 28.1           |  |
| Education Fund Other             | 7.1                        | 7.6            | 8.5            | 9.7            | 5.6            | 5.0            | 4.5            | 0.0            | 9.8            | 18.2           | 20.1           | 19.3           | 24.6           | 26.6           | 6.6            |  |
| <b>Education Fund Total</b>      | <b>1,580.8</b>             | <b>1,663.7</b> | <b>1,850.4</b> | <b>1,905.5</b> | <b>1,743.0</b> | <b>1,741.0</b> | <b>1,872.2</b> | <b>2,147.6</b> | <b>2,676.8</b> | <b>3,016.8</b> | <b>3,047.8</b> | <b>2,626.8</b> | <b>2,412.2</b> | <b>2,612.2</b> | <b>2,725.0</b> |  |
| <b>GF/EF Total</b>               | <b>3,056.5</b>             | <b>3,183.9</b> | <b>3,502.4</b> | <b>3,614.8</b> | <b>3,416.5</b> | <b>3,443.1</b> | <b>3,634.9</b> | <b>4,083.0</b> | <b>4,864.2</b> | <b>5,307.7</b> | <b>5,212.9</b> | <b>4,561.4</b> | <b>4,193.6</b> | <b>4,658.5</b> | <b>4,753.5</b> |  |
| Motor Fuel Tax                   | 217.7                      | 224.7          | 237.6          | 229.4          | 237.9          | 236.6          | 239.9          | 241.5          | 240.4          | 254.7          | 250.7          | 235.5          | 243.3          | 252.5          | 251.9          |  |
| Special Fuel Tax                 | 72.4                       | 73.7           | 76.6           | 80.6           | 84.4           | 84.5           | 86.2           | 93.8           | 101.1          | 111.1          | 113.0          | 101.2          | 94.4           | 102.6          | 106.9          |  |
| Other                            | 54.8                       | 58.5           | 64.9           | 64.2           | 62.8           | 65.4           | 64.9           | 70.0           | 76.6           | 78.8           | 82.4           | 85.4           | 73.6           | 80.7           | 81.2           |  |
| <b>Transportation Fund Total</b> | <b>344.9</b>               | <b>356.9</b>   | <b>379.0</b>   | <b>374.2</b>   | <b>385.1</b>   | <b>386.6</b>   | <b>391.0</b>   | <b>405.3</b>   | <b>418.1</b>   | <b>444.6</b>   | <b>446.0</b>   | <b>422.1</b>   | <b>411.4</b>   | <b>435.8</b>   | <b>440.0</b>   |  |
| Mineral Lease Payments           | 33.5                       | 31.5           | 39.6           | 57.9           | 36.5           | 53.1           | 74.8           | 92.0           | 170.0          | 160.9          | 150.3          | 189.1          | 147.2          | 152.8          | 153.6          |  |
| <b>TOTAL</b>                     | <b>3,434.8</b>             | <b>3,572.2</b> | <b>3,921.1</b> | <b>4,046.8</b> | <b>3,838.1</b> | <b>3,882.7</b> | <b>4,100.7</b> | <b>4,580.3</b> | <b>5,452.4</b> | <b>5,913.2</b> | <b>5,809.2</b> | <b>5,172.7</b> | <b>4,752.2</b> | <b>5,247.1</b> | <b>5,347.1</b> |  |

f = forecast

Sources:

1. FiNET, Division of Finance
2. Governor's Office of Planning and Budget

**Table 8**  
Fiscal Year Cash Collection Unrestricted Revenues (Current Dollar Percent Changes)

| Revenue Source                   | Percent Change |            |             |             |             |             |            |             |             |             |             |              |             |             |             |  |
|----------------------------------|----------------|------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--|
|                                  | 1998           | 1999       | 2000        | 2001        | 2002        | 2003        | 2004       | 2005        | 2006        | 2007        | 2008        | 2009         | 2010        | 2011        | 2012f       |  |
| Sales and Use Tax                | 0.0%           | 5.2%       | 4.0%        | 4.5%        | 0.7%        | 0.2%        | 4.0%       | 8.8%        | 10.5%       | 2.9%        | -6.4%       | -11.0%       | -9.4%       | 14.2%       | -2.5%       |  |
| Cable/Satellite Excise Tax       |                |            |             |             |             |             |            | 75.8        | 1.7         | 15.5        | 3.0         | 2.0          | 0.3         | 2.1         |             |  |
| Liquor Profits                   | 8.2            | 2.5        | 6.3         | 5.6         | 7.7         | -2.5        | 18.6       | 1.1         | 24.2        | 12.5        | 12.2        | 0.0          | -2.2        | 6.8         | 5.8         |  |
| Insurance Premiums               | 3.5            | 7.1        | 9.3         | -11.8       | 23.1        | 4.2         | 5.8        | 7.9         | 6.0         | 0.5         | 7.6         | 7.5          | -3.6        | -5.2        | 4.9         |  |
| Beer, Cigarette, and Tobacco     | 29.2           | 12.8       | -3.3        | -0.2        | 3.5         | -9.6        | 15.9       | -1.4        | -1.8        | 2.6         | 0.7         | -3.6         | -3.1        | 113.8       | 1.8         |  |
| Oil and Gas Severance Tax        | -18.8          | -43.2      | 118.0       | 127.3       | -52.0       | 41.6        | 37.1       | 45.9        | 33.7        | -8.5        | 0.1         | 8.4          | -20.8       | 6.5         | 11.3        |  |
| Metal Severance Tax              | 37.4           | -43.3      | 11.5        | 8.9         | -20.2       | 17.8        | 3.3        | 90.0        | 48.9        | 38.5        | 12.5        | -45.1        | 43.2        | 30.0        | -0.8        |  |
| Inheritance Tax                  | 147.2          | -67.6      | 683.7       | -53.5       | -68.6       | 249.9       | -70.7      | -69.5       | 152.3       | -93.3       | -80.9       | 236.7        | -81.1       | 113.8       | -22.8       |  |
| Investment Income                | -3.7           | -4.5       | 30.0        | 40.8        | -64.6       | -33.5       | -14.9      | 147.1       | 194.1       | 108.7       | -24.8       | -60.1        | -78.8       | -55.0       | 17.1        |  |
| General Fund Other               | 15.1           | -5.3       | 7.4         | 12.8        | -1.5        | 2.9         | -2.3       | 1.6         | 9.5         | 14.3        | -8.0        | 1.8          | 47.6        | -9.9        | 6.8         |  |
| Property and Energy Credit       | 1.8            | 17.0       | -17.3       | 23.8        | -1.3        | 3.2         | 2.2        | 5.6         | -5.7        | 9.9         | 3.8         | -2.6         | 2.4         | -6.4        | 5.5         |  |
| <b>General Fund Total</b>        | <b>2.4</b>     | <b>3.0</b> | <b>8.7</b>  | <b>3.5</b>  | <b>-2.1</b> | <b>1.7</b>  | <b>3.6</b> | <b>9.8</b>  | <b>13.0</b> | <b>4.7</b>  | <b>-5.5</b> | <b>-10.6</b> | <b>-7.9</b> | <b>14.9</b> | <b>-0.9</b> |  |
| Individual Income Tax            | 11.4           | 6.3        | 13.0        | 3.3         | -5.9        | -2.0        | 7.6        | 13.8        | 18.2        | 12.5        | 1.5         | -10.7        | -9.3        | 9.2         | 6.0         |  |
| Corporate Tax                    | 2.8            | -1.9       | -3.7        | -5.5        | -30.5       | 31.4        | 1.2        | 29.1        | 79.6        | 13.0        | -2.2        | -36.9        | 1.2         | 0.9         | -2.4        |  |
| Mineral Production Withholding   | -19.7          | -9.6       | 37.7        | 109.2       | -32.0       | -45.7       | 140.3      | -3.1        | 35.8        | 1.4         | 3.4         | 36.3         | -24.4       | 8.7         | 5.3         |  |
| Education Fund Other             | 45.9           | 7.1        | 11.9        | 13.8        | -42.4       | -10.7       | -8.9       | -99.1       | 23,989.4    | 85.9        | 10.4        | -3.8         | 27.4        | 8.1         | -75.2       |  |
| <b>Education Fund Total</b>      | <b>10.2</b>    | <b>5.2</b> | <b>11.2</b> | <b>3.0</b>  | <b>-8.5</b> | <b>-0.1</b> | <b>7.5</b> | <b>14.7</b> | <b>24.6</b> | <b>12.7</b> | <b>1.0</b>  | <b>-13.8</b> | <b>-8.2</b> | <b>8.3</b>  | <b>4.3</b>  |  |
| <b>GF/EF Total</b>               | <b>6.3</b>     | <b>4.2</b> | <b>10.0</b> | <b>3.2</b>  | <b>-5.5</b> | <b>0.8</b>  | <b>5.6</b> | <b>12.3</b> | <b>19.1</b> | <b>9.1</b>  | <b>-1.8</b> | <b>-12.5</b> | <b>-8.1</b> | <b>11.1</b> | <b>2.0</b>  |  |
| Motor Fuel Tax                   | 29.3           | 3.2        | 5.7         | -3.4        | 3.7         | -0.5        | 1.4        | 0.6         | -0.4        | 5.9         | -1.6        | -6.1         | 3.3         | 3.8         | -0.2        |  |
| Special Fuel Tax                 | 56.2           | 1.8        | 3.9         | 5.2         | 4.7         | 0.1         | 1.9        | 8.9         | 7.7         | 9.9         | 1.7         | -10.4        | -6.7        | 8.7         | 4.2         |  |
| Other                            | 4.1            | 6.7        | 10.9        | -1.1        | -2.2        | 4.2         | -0.8       | 7.9         | 9.5         | 2.8         | 4.6         | 3.7          | -13.8       | 9.6         | 0.6         |  |
| <b>Transportation Fund Total</b> | <b>29.0</b>    | <b>3.5</b> | <b>6.2</b>  | <b>-1.3</b> | <b>2.9</b>  | <b>0.4</b>  | <b>1.1</b> | <b>3.7</b>  | <b>3.2</b>  | <b>6.3</b>  | <b>0.3</b>  | <b>-5.4</b>  | <b>-2.5</b> | <b>6.0</b>  | <b>1.0</b>  |  |
| Mineral Lease Payments           | -1.8           | -5.9       | 25.7        | 46.0        | -36.9       | 45.6        | 40.9       | 23.0        | 84.8        | -5.4        | -6.5        | 25.8         | -22.2       | 3.8         | 0.5         |  |
| <b>TOTAL</b>                     | <b>8.1</b>     | <b>4.0</b> | <b>9.8</b>  | <b>3.2</b>  | <b>-5.2</b> | <b>1.2</b>  | <b>5.6</b> | <b>11.7</b> | <b>19.0</b> | <b>8.5</b>  | <b>-1.8</b> | <b>-11.0</b> | <b>-8.1</b> | <b>10.4</b> | <b>1.9</b>  |  |

f = forecast

Sources:

1. FiNET, Division of Finance
2. Governor's Office of Planning and Budget

## Exports

### Overview

Improving economic conditions in Utah, the nation, and around the globe were reflected in Utah's production and export levels through 2010 and 2011. Utah's total exports rose from \$13.9 billion in 2010 to an estimated \$19.0 billion in 2011, an increase of 37.9%. Exports have been above \$4.0 billion since 2002 and above \$6.0 billion since 2005.

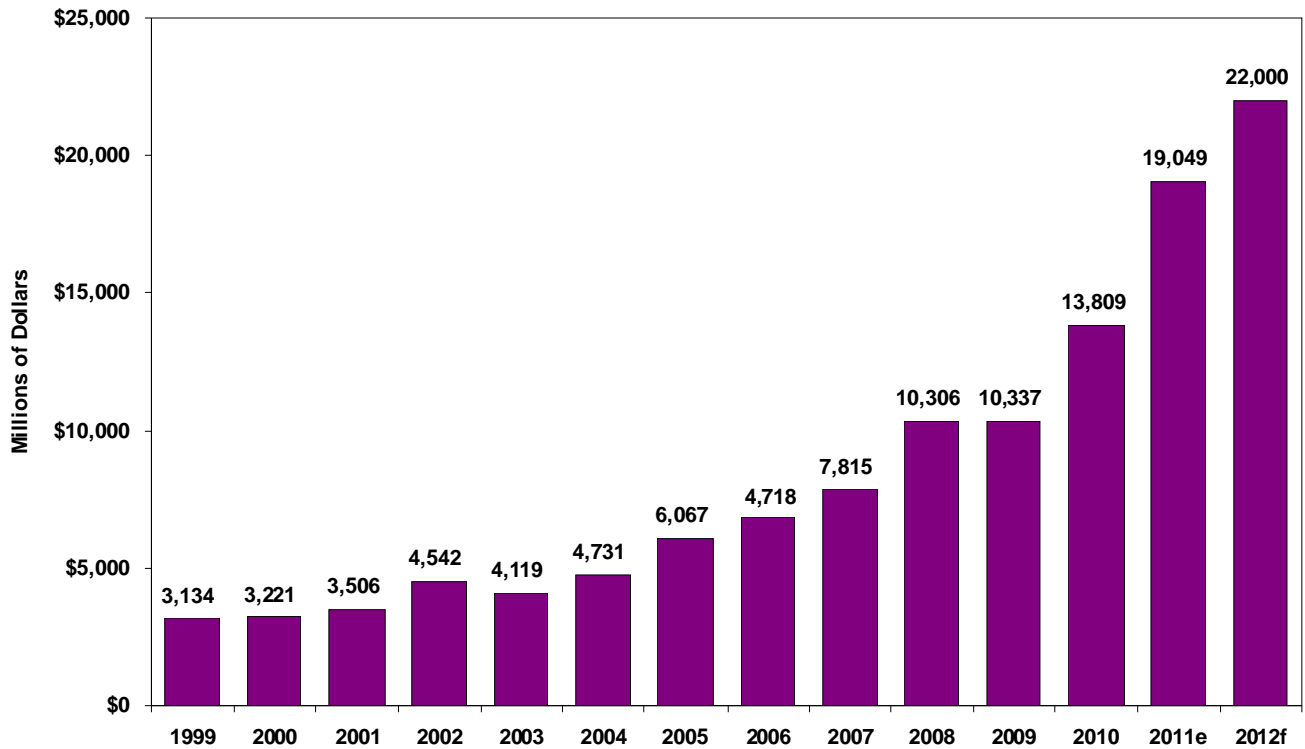
A large majority of Utah exports are primary metals. Shipments of primary metals, particularly gold, accounted for approximately 64% of total exports during 2011, up from

55% in 2010. Computers and electronics comprised the second highest proportion of total exports at 11%.

### 2012 Outlook

Improving economic conditions in Utah, the nation, and around the globe were reflected in Utah's production and export levels through 2010 and 2011. Utah's total exports rose from \$13.8 billion in 2010 to an estimated \$19.0 billion in 2011, an increase of 37.9%. Exports have been above \$4.0 billion since 2005. Assuming moderate worldwide economic growth and barring any significant collapse in gold value or another financial crisis, exports are forecast to grow to \$22 billion in 2012.

Figure 24  
Utah Merchandise Exports



Source: U.S. Census Bureau e = estimate f = forecast

Table 9  
Utah Merchandise Exports by Industry (Millions of Dollars)

| Rank | Code     | Industry Name                    | 2010-11 |         |         |         |         |          |          |          |          |                | 2011 Share |
|------|----------|----------------------------------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------------|------------|
|      |          |                                  | 2003    | 2004    | 2005    | 2006    | 2007    | 2008     | 2009     | 2010     | 2011e    | Percent Change |            |
| 16   | 111      | Agricultural Products            | \$5.5   | \$9.1   | \$12.9  | \$12.5  | \$15.4  | \$30.3   | \$54.7   | \$23.1   | \$28.9   | 25.3%          | 0.2%       |
| 26   | 112      | Livestock and Livestock Products | 1.7     | 1.6     | 0.7     | 1.0     | 1.9     | 0.9      | 4.0      | 7.9      | 6.7      | -15.5%         | 0.0%       |
| 29   | 113      | Forestry Products                | 0.5     | 0.6     | 0.7     | 0.8     | 0.8     | 1.2      | 0.9      | 0.6      | 2.0      | 216.2%         | 0.0%       |
| 31   | 114      | Fish and Marine Products         | 1.7     | 4.1     | 3.7     | 5.3     | 3.2     | 2.7      | 2.6      | 1.3      | 0.8      | -38.8%         | 0.0%       |
| 30   | 211      | Oil and Gas                      | 0.1     | 0.9     | 0.0     | 0.5     | 0.1     | 0.8      | 1.1      | 1.2      | 0.8      | -30.0%         | 0.0%       |
| 8    | 212      | Minerals                         | 43.0    | 96.8    | 619.0   | 572.4   | 549.8   | 577.3    | 236.5    | 374.0    | 461.0    | 23.3%          | 2.4%       |
| 5    | 311      | Food                             | 282.9   | 311.1   | 358.8   | 382.7   | 428.1   | 512.9    | 513.9    | 603.5    | 650.8    | 7.8%           | 3.4%       |
| 17   | 312      | Beverages                        | 26.7    | 8.2     | 52.3    | 50.0    | 33.1    | 28.0     | 50.4     | 40.8     | 24.6     | -39.7%         | 0.1%       |
| 22   | 313      | Raw Textiles                     | 3.6     | 3.9     | 3.5     | 4.2     | 5.2     | 6.0      | 5.8      | 21.6     | 12.5     | -42.1%         | 0.1%       |
| 24   | 314      | Milled Textiles                  | 5.2     | 5.5     | 6.8     | 8.3     | 10.6    | 15.7     | 16.2     | 11.8     | 11.3     | -4.3%          | 0.1%       |
| 25   | 315      | Apparel                          | 4.3     | 4.5     | 5.3     | 6.5     | 6.0     | 5.4      | 5.9      | 10.5     | 9.6      | -8.7%          | 0.1%       |
| 21   | 316      | Leather                          | 6.1     | 7.9     | 7.4     | 7.8     | 7.0     | 10.3     | 8.3      | 8.0      | 12.8     | 61.2%          | 0.1%       |
| 27   | 321      | Wood Products                    | 2.7     | 2.6     | 2.2     | 2.5     | 3.7     | 9.0      | 4.3      | 4.3      | 3.2      | -25.8%         | 0.0%       |
| 14   | 322      | Paper                            | 27.7    | 32.0    | 34.9    | 59.3    | 75.2    | 62.4     | 47.0     | 43.5     | 40.7     | -6.3%          | 0.2%       |
| 20   | 323      | Printed Material                 | 22.0    | 26.8    | 28.2    | 30.9    | 37.9    | 29.7     | 29.7     | 20.5     | 17.0     | -17.2%         | 0.1%       |
| 23   | 324      | Petroleum and Coal               | 1.8     | 4.2     | 5.9     | 9.5     | 6.1     | 7.1      | 3.6      | 4.6      | 12.5     | 168.8%         | 0.1%       |
| 3    | 325      | Chemicals                        | 340.7   | 430.0   | 456.1   | 469.0   | 481.4   | 496.5    | 522.1    | 706.2    | 729.3    | 3.3%           | 3.8%       |
| 12   | 326      | Plastics                         | 75.0    | 67.0    | 59.8    | 79.6    | 72.5    | 96.4     | 81.7     | 108.5    | 151.8    | 39.9%          | 0.8%       |
| 18   | 327      | Nonmetallic Minerals             | 9.9     | 12.0    | 13.5    | 13.5    | 22.4    | 24.9     | 22.5     | 26.6     | 23.3     | -12.4%         | 0.1%       |
| 1    | 331      | Primary Metals                   | 1,464.4 | 1,512.4 | 2,060.2 | 2,770.0 | 3,222.3 | 4,240.4  | 5,466.2  | 7,621.5  | 12,232.4 | 60.5%          | 64.2%      |
| 10   | 332      | Fabricated Metals                | 62.0    | 71.7    | 90.9    | 111.6   | 133.6   | 167.6    | 168.0    | 209.7    | 218.7    | 4.3%           | 1.1%       |
| 6    | 333      | Machinery                        | 141.8   | 205.8   | 226.8   | 267.0   | 294.7   | 354.1    | 321.0    | 435.1    | 520.5    | 19.6%          | 2.7%       |
| 2    | 334      | Computers and Electronics        | 624.0   | 910.0   | 854.9   | 587.4   | 943.4   | 1,982.9  | 1,588.5  | 1,974.4  | 2,180.6  | 10.4%          | 11.4%      |
| 11   | 335      | Electrical Equipment             | 85.7    | 80.5    | 102.7   | 104.6   | 117.4   | 126.9    | 112.5    | 148.9    | 186.9    | 25.5%          | 1.0%       |
| 4    | 336      | Transportation Equipment         | 471.1   | 479.2   | 546.8   | 621.2   | 702.9   | 812.9    | 541.1    | 649.3    | 651.0    | 0.3%           | 3.4%       |
| 15   | 337      | Furniture                        | 13.4    | 20.8    | 27.3    | 61.6    | 63.8    | 55.0     | 38.9     | 30.9     | 35.8     | 15.9%          | 0.2%       |
| 7    | 339      | Miscellaneous Manufactures       | 294.1   | 289.8   | 333.0   | 377.7   | 383.5   | 427.3    | 358.3    | 431.4    | 464.6    | 7.7%           | 2.4%       |
| 28   | 511      | Publications                     | 2.2     | 8.0     | 8.2     | 8.2     | 13.6    | 9.3      | 5.9      | 7.9      | 2.7      | -65.1%         | 0.0%       |
| 9    | 910      | Scrap                            | 12.8    | 26.0    | 40.8    | 78.7    | 104.1   | 111.6    | 65.0     | 202.5    | 291.7    | 44.1%          | 1.5%       |
| 19   | 920      | Used Merchandise                 | 2.0     | 2.9     | 3.8     | 8.2     | 18.5    | 34.5     | 9.9      | 24.0     | 23.0     | -4.2%          | 0.1%       |
| 13   | 980, 990 | Unclassified                     | 84.7    | 95.4    | 99.6    | 88.1    | 56.5    | 66.1     | 50.6     | 55.2     | 42.2     | -23.5%         | 0.2%       |
|      |          | Total                            | \$4,119 | \$4,731 | \$6,067 | \$6,801 | \$7,815 | \$10,306 | \$10,337 | \$13,809 | \$19,050 | 37.9%          | 100.0%     |

e = estimate

Source: U.S. Census Bureau

Table 10  
Utah Merchandise Exports by Purchasing Country (Millions of Dollars)

| Rank | Country              | 2003    | 2004    | 2005      | 2006      | 2007      | 2008      | 2009      | 2010      | 2011e     | 2011           |            |
|------|----------------------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|------------|
|      |                      |         |         |           |           |           |           |           |           |           | Percent Change | 2011 Share |
| 1    | United Kingdom       | \$486.5 | \$559.5 | \$1,105.8 | \$2,282.6 | \$2,382.4 | \$3,516.1 | \$4,364.1 | \$4,407.9 | \$6,561.5 | 48.9%          | 34.4%      |
| 2    | Hong Kong            | 58.8    | 89.1    | 146.0     | 90.4      | 101.6     | 133.4     | 153.4     | 947.4     | 3,872.1   | 308.7%         | 20.3%      |
| 3    | Canada               | 548.5   | 877.2   | 713.9     | 890.8     | 947.3     | 1,082.8   | 1,019.4   | 1,265.2   | 1,382.6   | 9.3%           | 7.3%       |
| 4    | Thailand             | 30.4    | 61.1    | 40.0      | 28.2      | 41.0      | 163.1     | 46.6      | 172.3     | 717.9     | 316.7%         | 3.8%       |
| 5    | Taiwan               | 62.8    | 79.5    | 97.0      | 81.7      | 211.0     | 727.6     | 567.9     | 550.9     | 659.9     | 19.8%          | 3.5%       |
| 6    | India                | 23.5    | 18.5    | 54.2      | 20.6      | 384.0     | 496.8     | 649.5     | 1,124.7   | 617.3     | -45.1%         | 3.2%       |
| 7    | Singapore            | 38.4    | 125.7   | 127.5     | 57.0      | 222.9     | 373.2     | 253.3     | 524.5     | 577.8     | 10.2%          | 3.0%       |
| 8    | Australia            | 67.2    | 74.5    | 109.7     | 121.0     | 126.6     | 183.9     | 182.8     | 220.5     | 527.2     | 139.1%         | 2.8%       |
| 9    | China                | 113.9   | 124.0   | 321.4     | 245.1     | 386.6     | 527.0     | 542.3     | 577.6     | 526.3     | -8.9%          | 2.8%       |
| 10   | Mexico               | 111.0   | 122.0   | 129.4     | 267.3     | 223.8     | 241.9     | 279.4     | 456.3     | 521.6     | 14.3%          | 2.7%       |
| 11   | Japan                | 476.5   | 540.9   | 588.8     | 483.7     | 416.4     | 375.9     | 342.2     | 406.2     | 400.6     | -1.4%          | 2.1%       |
| 12   | Germany              | 118.7   | 170.1   | 209.1     | 205.0     | 170.6     | 234.0     | 165.9     | 226.4     | 287.7     | 27.1%          | 1.5%       |
| 13   | Belgium              | 69.3    | 93.5    | 428.2     | 345.3     | 393.3     | 543.4     | 208.7     | 290.3     | 280.2     | -3.5%          | 1.5%       |
| 14   | Korea, South         | 69.8    | 105.5   | 124.6     | 128.8     | 126.2     | 201.5     | 294.5     | 273.0     | 218.3     | -20.0%         | 1.1%       |
| 15   | Italy                | 39.0    | 43.5    | 59.5      | 71.3      | 67.0      | 72.7      | 73.3      | 148.4     | 161.9     | 9.1%           | 0.9%       |
| 16   | Chile                | 12.4    | 31.3    | 11.6      | 14.1      | 16.3      | 30.1      | 23.1      | 31.0      | 149.9     | 382.9%         | 0.8%       |
| 17   | Turkey               | 12.7    | 4.6     | 14.0      | 18.4      | 16.9      | 38.6      | 18.2      | 61.0      | 137.8     | 126.0%         | 0.7%       |
| 18   | France               | 66.3    | 72.9    | 112.7     | 94.8      | 106.4     | 86.5      | 77.8      | 109.0     | 135.8     | 24.5%          | 0.7%       |
| 19   | Philippines          | 103.6   | 117.8   | 110.4     | 113.7     | 146.3     | 144.2     | 106.5     | 145.1     | 131.5     | -9.4%          | 0.7%       |
| 20   | Netherlands          | 124.4   | 105.4   | 119.2     | 116.5     | 188.7     | 175.7     | 92.7      | 110.3     | 122.8     | 11.3%          | 0.6%       |
| 21   | Switzerland          | 1,105.2 | 772.6   | 777.1     | 484.1     | 455.7     | 64.3      | 94.8      | 718.6     | 109.7     | -84.7%         | 0.6%       |
| 22   | Malaysia             | 26.6    | 40.0    | 49.6      | 29.7      | 40.6      | 51.8      | 69.4      | 152.0     | 96.9      | -36.2%         | 0.5%       |
| 23   | Brazil               | 22.9    | 40.3    | 30.5      | 79.7      | 95.5      | 100.5     | 99.8      | 78.1      | 95.8      | 22.6%          | 0.5%       |
| 24   | Spain                | 26.8    | 24.6    | 49.4      | 41.5      | 49.5      | 48.8      | 44.7      | 55.6      | 61.2      | 10.0%          | 0.3%       |
| 25   | Israel               | 20.4    | 47.7    | 57.5      | 58.8      | 60.2      | 80.3      | 45.5      | 58.8      | 53.8      | -8.4%          | 0.3%       |
| 26   | South Africa         | 4.2     | 9.8     | 16.0      | 32.0      | 17.7      | 15.2      | 14.4      | 18.7      | 51.9      | 176.9%         | 0.3%       |
| 27   | United Arab Emirates | 4.5     | 93.5    | 138.0     | 32.3      | 27.5      | 99.3      | 63.7      | 128.3     | 44.5      | -65.3%         | 0.2%       |
| 28   | Sweden               | 11.3    | 17.7    | 16.0      | 27.0      | 25.9      | 38.1      | 34.3      | 44.3      | 40.1      | -9.3%          | 0.2%       |
| 29   | Russia               | 11.7    | 13.8    | 11.4      | 10.6      | 16.0      | 39.7      | 23.8      | 40.0      | 22.7      | -43.4%         | 0.1%       |
| 30   | Indonesia            | 2.4     | 2.1     | 5.5       | 5.4       | 7.7       | 10.2      | 12.7      | 16.2      | 22.1      | 36.6%          | 0.1%       |
| 31   | Finland              | 6.2     | 7.3     | 9.3       | 9.6       | 6.9       | 11.0      | 11.6      | 15.3      | 19.5      | 27.4%          | 0.1%       |
| 32   | New Zealand          | 8.7     | 14.2    | 12.6      | 12.4      | 16.8      | 27.4      | 16.8      | 17.2      | 18.9      | 10.0%          | 0.1%       |
| 33   | Ireland              | 24.3    | 16.7    | 16.8      | 77.3      | 38.8      | 19.0      | 21.2      | 14.8      | 18.8      | 27.2%          | 0.1%       |
| 34   | Dominican Republic   | 6.0     | 8.1     | 8.2       | 7.7       | 14.5      | 13.1      | 13.1      | 17.1      | 18.5      | 8.4%           | 0.1%       |
| 35   | Saudi Arabia         | 4.7     | 5.7     | 6.0       | 6.6       | 16.1      | 17.9      | 26.4      | 13.8      | 18.3      | 32.8%          | 0.1%       |

e = estimate

Source: U.S. Census Bureau



# Industry Focus

## Construction

### Overview

The value of permit authorized construction in Utah in 2011 was estimated at \$3.5 billion, slightly higher than the \$3.3 billion in 2010. In inflation-adjusted dollars, the value of authorized construction last year was at the lowest level since 1992. The 6% increase in 2011 reverses four consecutive years of decline. In constant 2011 dollars all three major construction sectors improved in 2011. Residential value was up 4.1%, nonresidential value was up 18.9% and additions, alterations and repairs were up 4.2%. It's quite likely the value of permit authorized construction hit bottom in 2010, and 2011 was the beginning of a modest recovery.

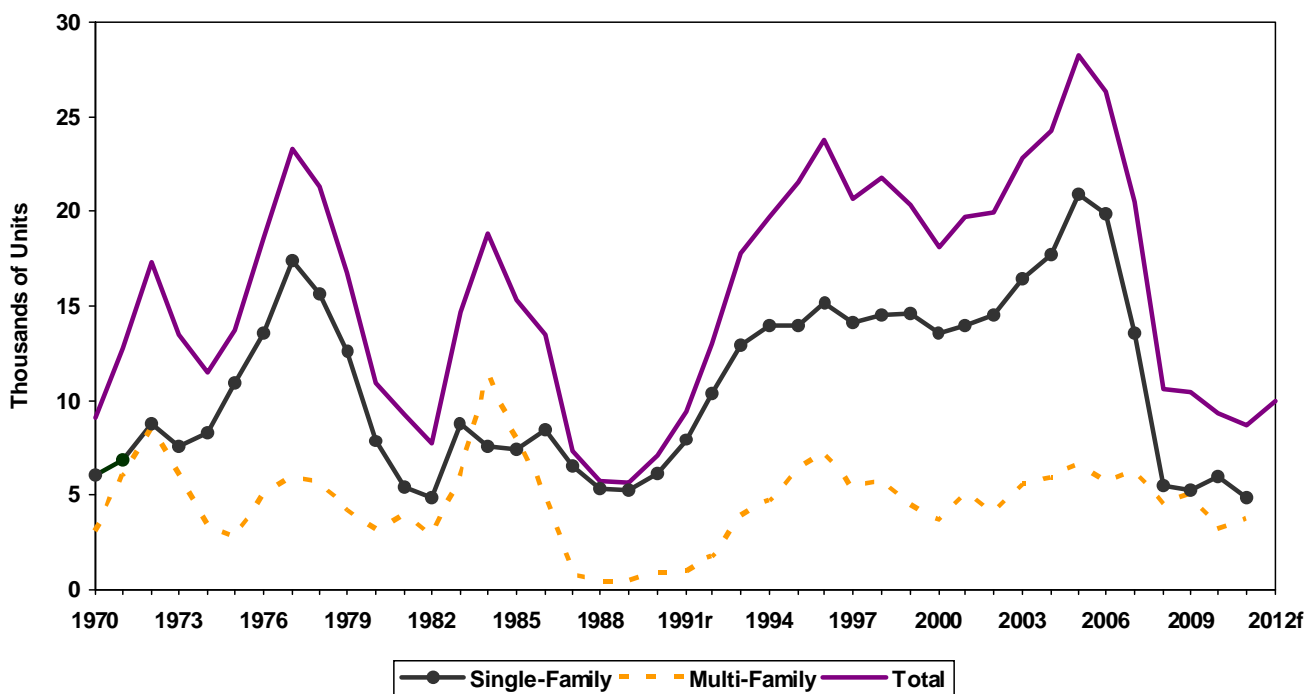
In terms of residential units, the numbers were lower in 2011 than in 2010. The estimate for 2011 was 8,700 units, 6.5% below 2010. This year will mark six consecutive years of de-

cline in residential units. Utah's longest previous residential contraction was five years (1978-1982). During the peak year of 2005 permits were issued for 28,825 units compared to 8,700 six years later, a decline of 69% for total residential units, which includes apartment, condominiums and single-family homes. The decline has been more severe for single-family homes, which have dropped from 20,912 in 2005 to an estimated 4,800 units in 2011, a decline of 77%.

### 2012 Outlook

After a residential construction value contraction of five years, Utah saw growth with an increase from \$1.67 billion in 2010 to \$1.74 billion in 2011, and the growth is expected to continue in 2012. The number of permits issued for residential units should increase by 14.9% in 2012 to 10,000 units with a construction value of \$2.0 billion. On the nonresidential side, the value of permit authorized nonresidential construction is projected to remain at \$1.1 billion in 2012.

Figure 25  
Utah Residential Construction Activity



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research f = forecast

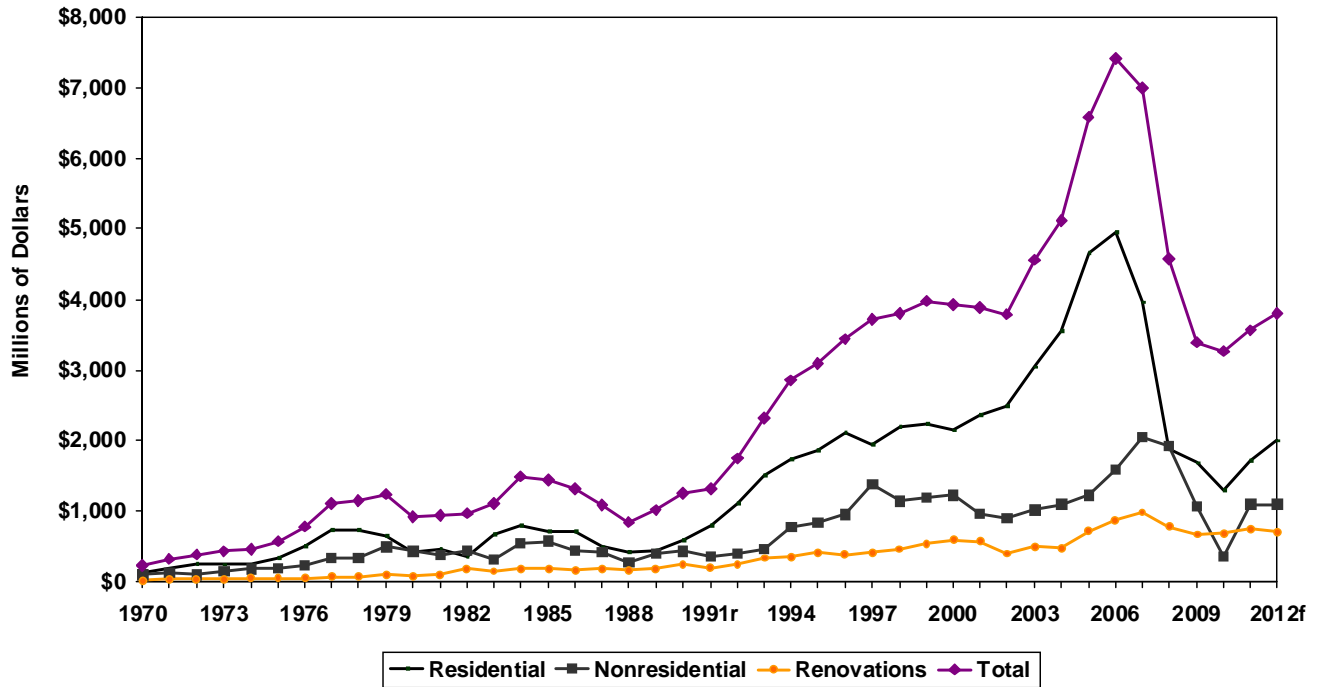
**Table 11**  
**Residential and Nonresidential Construction Activity**

| Year  | Single-Family Units | Multi-Family Units | Mobile Homes/ Cabins | Total Units | Value of Residential Construction (millions) | Value of Nonresidential Construction (millions) | Value of Add., Alt., and Repairs (millions) | Total Valuation (millions) |
|-------|---------------------|--------------------|----------------------|-------------|--|---|---|----------------------------|
| 1970  | 5,962               | 3,108              | na                   | 9,070       | \$117.0                                      | \$87.3  | \$18.0                                      | \$222.3                    |
| 1971  | 6,768               | 6,009              | na                   | 12,777      | 176.8  | 121.6   | 23.9  | 322.3                      |
| 1972  | 8,807               | 8,513              | na                   | 17,320      | 256.5  | 99.0  | 31.8  | 387.3                      |
| 1973  | 7,546               | 5,904              | na                   | 13,450      | 240.9  | 150.3   | 36.3  | 427.5                      |
| 1974  | 8,284               | 3,217              | na                   | 11,501      | 237.9  | 174.2   | 52.3  | 464.4                      |
| 1975  | 10,912              | 2,800              | na                   | 13,712      | 330.6  | 196.5   | 50.0  | 577.1                      |
| 1976  | 13,546              | 5,075              | na                   | 18,621      | 507.0  | 216.8   | 49.4  | 773.2                      |
| 1977  | 17,424              | 5,856              | na                   | 23,280      | 728.0  | 327.1   | 61.7  | 1,116.8                    |
| 1978  | 15,618              | 5,646              | na                   | 21,264      | 734.0  | 338.6   | 70.8  | 1,143.4                    |
| 1979  | 12,570              | 4,179              | na                   | 16,749      | 645.8  | 490.3   | 96.0  | 1,232.1                    |
| 1980  | 7,760               | 3,141              | na                   | 10,901      | 408.3  | 430.0   | 83.7  | 922.0                      |
| 1981  | 5,413               | 3,840              | na                   | 9,253       | 451.5  | 378.2   | 101.6                                       | 931.3                      |
| 1982  | 4,767               | 2,904              | na                   | 7,671       | 347.6  | 440.1   | 175.7                                       | 963.4                      |
| 1983  | 8,806               | 5,858              | na                   | 14,664      | 657.8  | 321.0   | 136.3                                       | 1,115.1                    |
| 1984  | 7,496               | 11,327             | na                   | 18,823      | 786.7  | 535.2   | 172.9                                       | 1,494.8                    |
| 1985  | 7,403               | 7,844              | na                   | 15,247      | 706.2  | 567.7   | 167.6                                       | 1,441.5                    |
| 1986  | 8,512               | 4,932              | na                   | 13,444      | 715.5  | 439.9   | 164.1                                       | 1,319.5                    |
| 1987  | 6,530               | 755                | na                   | 7,305       | 495.2  | 413.4   | 166.4                                       | 1,075.0                    |
| 1988  | 5,297               | 418                | na                   | 5,715       | 413.0  | 272.1   | 161.5                                       | 846.6                      |
| 1989  | 5,197               | 453                | na                   | 5,632       | 447.8  | 389.6   | 171.1                                       | 1,008.5                    |
| 1990  | 6,099               | 910                | na                   | 7,009       | 579.4  | 422.9   | 243.4                                       | 1,245.7                    |
| 1991r | 7,911               | 958                | 572                  | 9,441       | 791.0  | 342.6   | 186.9                                       | 1,320.5                    |
| 1992  | 10,375              | 1,722              | 904                  | 13,001      | 1,113.6                                      | 396.9   | 234.8                                       | 1,745.3                    |
| 1993  | 12,929              | 3,865              | 1,010                | 17,804      | 1,504.4                                      | 463.7   | 337.3                                       | 2,305.4                    |
| 1994  | 13,947              | 4,646              | 1,154                | 19,747      | 1,730.1                                      | 772.2   | 341.9                                       | 2,844.2                    |
| 1995  | 13,904              | 6,425              | 1,229                | 21,558      | 1,854.6                                      | 832.7   | 409.0                                       | 3,096.3                    |
| 1996  | 15,139              | 7,190              | 1,408                | 23,737      | 2,104.5                                      | 951.8   | 386.3                                       | 3,442.6                    |
| 1997  | 14,079              | 5,265              | 1,343                | 20,687      | 1,943.5                                      | 1,370.9   | 407.1                                       | 3,721.5                    |
| 1998  | 14,476              | 5,762              | 1,505                | 21,743      | 2,188.7                                      | 1,148.4   | 461.3                                       | 3,798.4                    |
| 1999  | 14,561              | 4,443              | 1,346                | 20,350      | 2,238.0                                      | 1,195.0   | 537.0                                       | 3,970.0                    |
| 2000  | 13,463              | 3,629              | 1,062                | 18,154      | 2,140.1                                      | 1,213.0   | 583.3                                       | 3,936.4                    |
| 2001  | 13,851              | 5,089              | 735                  | 19,675      | 2,352.7                                      | 970.0   | 562.8                                       | 3,885.5                    |
| 2002  | 14,466              | 4,149              | 926                  | 19,941      | 2,491.0                                      | 897.0   | 393.0                                       | 3,781.0                    |
| 2003  | 16,515              | 5,555              | 766                  | 22,836      | 3,046.4                                      | 1,017.4   | 497.0                                       | 4,560.8                    |
| 2004  | 17,724              | 5,853              | 716                  | 24,293      | 3,552.6                                      | 1,089.9   | 476.0                                       | 5,118.5                    |
| 2005  | 20,912              | 6,562              | 811                  | 28,285      | 4,662.6                                      | 1,217.8   | 707.6                                       | 6,588.0                    |
| 2006  | 19,888              | 5,658              | 776                  | 26,322      | 4,955.5                                      | 1,588.0   | 865.3                                       | 7,408.8                    |
| 2007  | 13,510              | 6,290              | 739                  | 20,539      | 3,963.2                                      | 2,051.0   | 979.7                                       | 6,993.9                    |
| 2008  | 5,513               | 4,544              | 546                  | 10,603      | 1,877.0                                      | 1,919.1   | 781.2                                       | 4,577.3                    |
| 2009  | 5,217               | 4,951              | 320                  | 10,488      | 1,674.0                                      | 1,054.3   | 660.1                                       | 3,388.4                    |
| 2010  | 5,936               | 3,168              | 240                  | 9,344       | 1,667.0                                      | 925.1   | 672.0                                       | 3,264.1                    |
| 2011e | 4,800               | 3,700              | 200                  | 8,700       | 1,735.0                                      | 1,100.0   | 700.0                                       | 3,535.0                    |
| 2012f |                     |                    |                      | 10,000      | 2,000.0                                      | 1,100.0   | 700.0                                       | 3,800.0                    |

f = forecast

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research

Figure 26  
Value of New Construction



Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research

Table 12  
Summary of Construction Activity

| Type of Construction               | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | % Change<br>2011-2012 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------|
| Total Construction Value           | \$7.0 billion | \$4.6 billion | \$3.4 billion | \$3.3 billion | \$3.5 billion | \$3.8 billion | 7.5%                  |
| Residential Value                  | \$4.0 billion | \$1.9 billion | \$1.7 billion | \$1.6 billion | \$1.7 billion | \$2.0 billion | 15.3%                 |
| Total Dwelling Units               | 20,539 units  | 10,603 units  | 10,488 units  | 9,344 units   | 8,700 units   | 10,000 units  | 14.9%                 |
| Single Family Units                | 13,510 units  | 5,513 units   | 5,217 units   | 5,936 units   | 4,800 units   |               |                       |
| Multifamily Units                  | 6,290 units   | 4,544 units   | 4,951 units   | 3,168 units   | 3,700 units   |               |                       |
| Mobile Homes/Cabins                | 739 units     | 546 units     | 320 units     | 240 units     | 200 units     |               |                       |
| Nonresidential Value               | \$2.1 billion | \$1.9 billion | \$1.1 billion | \$925 million | \$1.1 billion | \$1.1 billion | 0.0%                  |
| Additions, Alterations and Repairs | \$980 million | \$791 million | \$660 million | \$674 million | \$700 million | \$700 million | 0.0%                  |

Source: University of Utah, David Eccles School of Business, Bureau of Economic and Business Research

## Energy

### Overview

For the most part, the energy sector in Utah continued to rebound after experiencing significant recession-related declines in 2009 and 2010. Crude oil production continues to rise as oil prices remain high, while natural gas production hit a new record in 2011 despite modest gas prices. Demand for electricity in Utah remains strong, but lack of demand in the out-of-state markets contributed to declines in Utah's electric generation and resulted in decreases in consumption of coal and natural gas at Utah power plants. Early indications are that 2012 will continue on the path of slow and cautious growth, keeping the energy sector a bright spot in Utah's recovering economy.

**Production and Consumption.** Despite a 96% increase in crude oil production over the past eight years and 2011 production totaling 25.7 million barrels, Utah continues to be dependent on other states and Canada for crude oil and petroleum products as current Utah production meets only 50% of in-state demand. Conversely, Utah continues to produce much more natural gas than it consumes (450 billion cubic feet produced in 2011 compared to 204 billion cubic feet consumed), allowing more than half of total production to be exported out-of-state. Utah coal production increased only slightly in 2011 to 19.6 million tons as production from the newly opened Coal Hollow mine and the reopened Castle Valley mine made up for lower-than-expected production at the Deer Creek mine and the loss of production at the now-idle Emery mine. Utah companies still exported 30% of total coal production to other states and countries, while in-state consumption, dominated by coal-fired power plants, decreased to 15.2 million tons. Electric generation in Utah has decreased 13% since reaching a record high in 2008, totaling 40,650 gigawatthours in 2011. In contrast, electricity consumption in Utah continues to rise, reaching a new record of 28,600 gigawatthours in 2011. The decrease in Utah's electric generation is mostly the result of lower demand for electricity in surrounding states, especially Nevada and California, which are Utah's main consumers of exported electricity. While electricity generation from coal and natural gas plants has decreased in recent years, electricity from renewable resources has more than doubled since 2008. This increase is attributed to the recent construction of the 306-MW Milford Wind farm, as well as capacity increases at the Blundell geothermal power plant.

**Prices.** Utah's crude oil price rose 22% to an average of \$83 per barrel in 2011, Utah's second highest price in nominal dollars, helping spur continued growth in crude oil development. Utah's average price for natural gas decreased to \$3.90 per thousand cubic feet in 2011, but this did little to hinder production, which reached a new all-time high. With the high price of crude oil, operators are targeting natural gas resources that also produce significant liquids, thus increasing overall gas production despite lower prices. The mine mouth

price of coal dramatically increased to \$35.50 per ton in 2011 as new regulations and difficult mining conditions increased expenses. With regard to electricity, Utah's well established coal-fired power plants will assure affordable, reliable electric power for the foreseeable future and help keep Utah's electricity prices well below the national average.

### 2012 Outlook

In 2012, Utah crude oil production should continue its recent growth as prices are expected to remain near \$85 per barrel. Utah coal production should increase back to about 20 million tons, despite the recent announcement of the idling of the Dugout Canyon mine. Natural gas production is expected to increase slightly for the second straight year, despite further declines in prices, as operators increase production of associated gas from crude oil wells. Electricity generation in Utah should begin to increase slightly as demand rises with an improved economy. In addition, as the economy grows, consumption of energy from all sources is expected to increase in 2012, while prices remain near 2011 averages. As always, future predictions are subject to change due to unforeseen socio-political and economic events.

**Table 13**  
Electric Generation in Utah: 2011

|                               | GWh           | Percent of Total |
|-------------------------------|---------------|------------------|
| Coal                          | 33,200        | 81.7%            |
| Natural Gas                   | 5,150         | 12.7%            |
| Hydroelectric                 | 1,100         | 2.7%             |
| Wind                          | 600           | 1.5%             |
| Geothermal                    | 330           | 0.8%             |
| Other <sup>1</sup>            | 190           | 0.5%             |
| Petroleum                     | 40            | 0.1%             |
| Other Renewables <sup>2</sup> | 40            | 0.1%             |
| <b>Total</b>                  | <b>40,650</b> |                  |

<sup>1</sup>Includes nonbiogenic municipal solid waste and other manufactured and waste gases derived from fossil fuels

<sup>2</sup>Landfill gas and biogenic municipal solid waste

Source: Utah Geological Survey, U.S. Energy Information Administration

**Table 14  
Production, Consumption, and Selected Prices for Energy Sources in Utah**

| Year  | Crude Oil and Petroleum Products  |                                    |                                | Natural Gas                                     |                                      |  | Coal                           |                                 |                              | Electricity   |   |   |  |   |
|-------|-----------------------------------|------------------------------------|--------------------------------|---|--------------------------------------|--|--------------------------------|---------------------------------|------------------------------|---|---|---|--|---|
|       | Production<br>Thousand<br>barrels | Consumption<br>Thousand<br>barrels | Wellhead<br>Price<br>\$/barrel | Marketed<br>Production<br>Million<br>cubic feet | Consumption<br>Million<br>cubic feet | Wellhead<br>Price<br>\$/thousand<br>cubic feet | Production<br>Thousand<br>tons | Consumption<br>Thousand<br>tons | Minemouth<br>Price<br>\$/ton | Generation<br>from Fossil<br>Fuels <sup>1</sup><br>Gigawatt-<br>hours | Generation<br>from<br>Renewables <sup>2</sup><br>Gigawatt-<br>hours | Total<br>Generation<br>Gigawatt-<br>hours | Total<br>Consumption<br>Gigawatt-<br>hours | Residential<br>Electricity<br>Price<br>¢/kilowatthour |
| 1980  | 24,979                            | 35,983                             | 19.79                          | 47,857  | 115,092                              | 1.12   | 13,236                         | 7,106                           | 25.63                        | 11,291  | 821   | 12,112                                    | 10,705                                     | 5.5   |
| 1981  | 24,309                            | 30,812                             | 34.14                          | 59,120  | 102,240                              | 1.10   | 13,808                         | 7,432                           | 26.87                        | 11,139  | 623   | 11,762                                    | 11,886                                     | 6.0   |
| 1982  | 23,595                            | 30,563                             | 30.50                          | 49,995  | 117,706                              | 3.06   | 16,912                         | 6,787                           | 29.42                        | 10,867  | 1,024   | 11,891                                    | 12,391                                     | 6.3   |
| 1983  | 31,045                            | 32,316                             | 28.12                          | 20,925  | 110,185                              | 3.40   | 11,829                         | 6,873                           | 28.32                        | 11,030  | 1,394   | 12,424                                    | 13,194                                     | 6.9   |
| 1984  | 38,054                            | 32,101                             | 27.21                          | 74,698  | 115,578                              | 4.08   | 12,259                         | 7,905                           | 29.20                        | 12,359  | 1,429   | 13,788                                    | 12,717                                     | 7.4   |
| 1985  | 41,080                            | 31,809                             | 23.98                          | 83,405  | 115,117                              | 3.52   | 12,831                         | 8,303                           | 27.69                        | 14,283  | 1,129   | 15,412                                    | 13,039                                     | 7.8   |
| 1986  | 39,243                            | 34,406                             | 13.33                          | 90,013  | 105,175                              | 2.90   | 14,269                         | 8,112                           | 27.64                        | 15,235  | 1,584   | 16,819                                    | 12,989                                     | 8.0   |
| 1987  | 35,829                            | 35,172                             | 17.22                          | 87,158  | 98,987                               | 1.88   | 16,521                         | 11,807                          | 25.67                        | 25,326  | 1,020   | 26,346                                    | 13,398                                     | 8.0   |
| 1988  | 33,365                            | 35,971                             | 14.24                          | 101,372   | 108,953                              | 2.39   | 18,164                         | 14,513                          | 22.85                        | 28,870  | 767   | 29,637                                    | 14,507                                     | 7.8   |
| 1989  | 28,504                            | 34,694                             | 18.63                          | 120,089   | 113,537                              | 1.58   | 20,517                         | 15,044                          | 22.01                        | 29,761  | 735   | 30,496                                    | 14,965                                     | 7.4   |
| 1990  | 27,705                            | 35,082                             | 22.61                          | 145,875   | 116,648                              | 1.70   | 22,012                         | 15,738                          | 21.78                        | 31,903  | 660   | 32,564                                    | 15,402                                     | 7.1   |
| 1991  | 25,928                            | 36,933                             | 19.99                          | 144,817   | 132,766                              | 1.54   | 21,875                         | 14,834                          | 21.56                        | 29,693  | 813   | 30,506                                    | 15,907                                     | 7.1   |
| 1992  | 24,074                            | 36,524                             | 19.39                          | 171,293   | 122,785                              | 1.63   | 21,015                         | 15,719                          | 21.83                        | 32,448  | 836   | 33,284                                    | 16,567                                     | 7.0   |
| 1993  | 21,826                            | 37,422                             | 17.48                          | 225,401   | 138,199                              | 1.77   | 21,723                         | 16,063                          | 21.17                        | 33,050  | 1,047   | 34,097                                    | 16,867                                     | 6.9   |
| 1994  | 20,668                            | 38,275                             | 16.38                          | 270,858   | 137,222                              | 1.54   | 24,422                         | 16,603                          | 20.07                        | 34,252  | 983   | 35,235                                    | 17,847                                     | 6.9   |
| 1995  | 19,976                            | 41,718                             | 17.71                          | 241,290   | 156,971                              | 1.15   | 25,051                         | 15,675                          | 19.11                        | 31,699  | 1,137   | 32,836                                    | 18,460                                     | 6.9   |
| 1996  | 19,529                            | 44,628                             | 21.10                          | 250,767   | 161,285                              | 1.39   | 27,071                         | 15,615                          | 18.50                        | 31,711  | 1,272   | 32,983                                    | 19,858                                     | 7.0   |
| 1997  | 19,593                            | 44,529                             | 18.57                          | 257,139   | 165,305                              | 1.86   | 26,428                         | 16,507                          | 18.34                        | 33,200  | 1,547   | 34,747                                    | 20,376                                     | 6.9   |
| 1998  | 19,218                            | 45,452                             | 12.52                          | 277,340   | 170,134                              | 1.73   | 26,600                         | 17,482                          | 17.83                        | 34,436  | 1,509   | 35,945                                    | 20,700                                     | 6.8   |
| 1999  | 16,362                            | 46,806                             | 17.69                          | 262,614   | 160,431                              | 1.93   | 26,491                         | 16,611                          | 17.36                        | 35,366  | 1,449   | 36,815                                    | 21,879                                     | 6.3   |
| 2000  | 15,609                            | 49,179                             | 28.53                          | 269,285   | 165,023                              | 3.28   | 26,920                         | 17,373                          | 16.93                        | 35,697  | 942   | 36,639                                    | 23,185                                     | 6.3   |
| 2001  | 15,274                            | 48,167                             | 24.09                          | 283,913   | 159,299                              | 3.52   | 27,024                         | 17,007                          | 17.76                        | 35,187  | 700   | 35,887                                    | 23,217                                     | 6.7   |
| 2002  | 13,771                            | 47,607                             | 23.87                          | 274,739   | 163,379                              | 1.99   | 25,299                         | 16,434                          | 18.47                        | 35,926  | 682   | 36,608                                    | 23,267                                     | 6.8   |
| 2003  | 13,097                            | 49,897                             | 28.88                          | 268,058   | 154,125                              | 4.11   | 23,069                         | 16,974                          | 16.64                        | 37,399  | 625   | 38,024                                    | 23,860                                     | 6.9   |
| 2004  | 14,745                            | 50,625                             | 39.35                          | 277,969   | 155,891                              | 5.24   | 21,818                         | 17,614                          | 17.70                        | 37,563  | 649   | 38,212                                    | 24,512                                     | 7.2   |
| 2005  | 16,676                            | 52,978                             | 53.98                          | 301,223   | 160,276                              | 7.16   | 24,556                         | 17,329                          | 19.34                        | 37,192  | 973   | 38,165                                    | 25,000                                     | 7.5   |
| 2006  | 17,928                            | 56,863                             | 59.70                          | 348,320   | 187,399                              | 5.49   | 26,131                         | 17,515                          | 22.51                        | 40,311  | 952   | 41,263                                    | 26,366                                     | 7.6   |
| 2007  | 19,535                            | 55,550                             | 62.48                          | 376,409   | 219,699                              | 3.86   | 24,288                         | 17,486                          | 25.18                        | 44,639  | 734   | 45,373                                    | 27,785                                     | 8.2   |
| 2008  | 22,044                            | 52,955                             | 86.58                          | 433,566   | 224,187                              | 6.15   | 24,275                         | 17,779                          | 27.78                        | 45,609  | 970   | 46,579                                    | 28,192                                     | 8.3   |
| 2009  | 22,942                            | 49,553                             | 50.22                          | 444,162   | 214,163                              | 3.38   | 21,927                         | 16,647                          | 28.40                        | 42,221  | 1,322   | 43,543                                    | 27,587                                     | 8.5   |
| 2010  | 24,664                            | 49,760                             | 68.09                          | 432,045   | 219,178                              | 4.23   | 19,406                         | 15,976                          | 30.77                        | 40,773  | 1,476   | 42,249                                    | 28,044                                     | 8.7   |
| 2011e | 25,700                            | 51,000                             | 83.00                          | 450,000   | 204,400                              | 3.90   | 19,600                         | 15,200                          | 35.50                        | 38,580  | 2,070   | 40,650                                    | 28,600                                     | 8.9   |
| 2012f | 26,000                            | 52,000                             | 85.00                          | 455,000   | 210,000                              | 3.85   | 20,000                         | 15,300                          | 37.50                        | 38,300  | 2,200   | 40,500                                    | 29,000                                     | 9.0   |

e = estimate  
f = forecast

<sup>1</sup>Includes nonbiogenic municipal solid waste and other manufactured and waste gases derived from fossil fuels

<sup>2</sup>Includes hydroelectric, geothermal, biomass, wind, and solar

Note: Prices are in nominal dollars

Source: Utah Geological Survey, U.S. Energy Information Administration, Utah Division of Oil, Gas and Mining

## Minerals

### Overview

The Utah Geological Survey (UGS) estimates the gross production value of nonfuel mineral commodities and uranium produced in Utah in 2011 totaled \$4.59 billion, an increase of about \$302 million (7.0%) over 2010. The estimated nominal value of nonfuel mineral production (excluding uranium) in Utah was \$4.56 billion in 2011, about \$140 million (3.2%) higher than the \$4.42 billion reported by the U.S. Geological Survey (USGS) for 2010. The USGS ranked Utah third among all states in the value of nonfuel mineral production in 2010 with 6.9% of the total.

### 2011 Summary

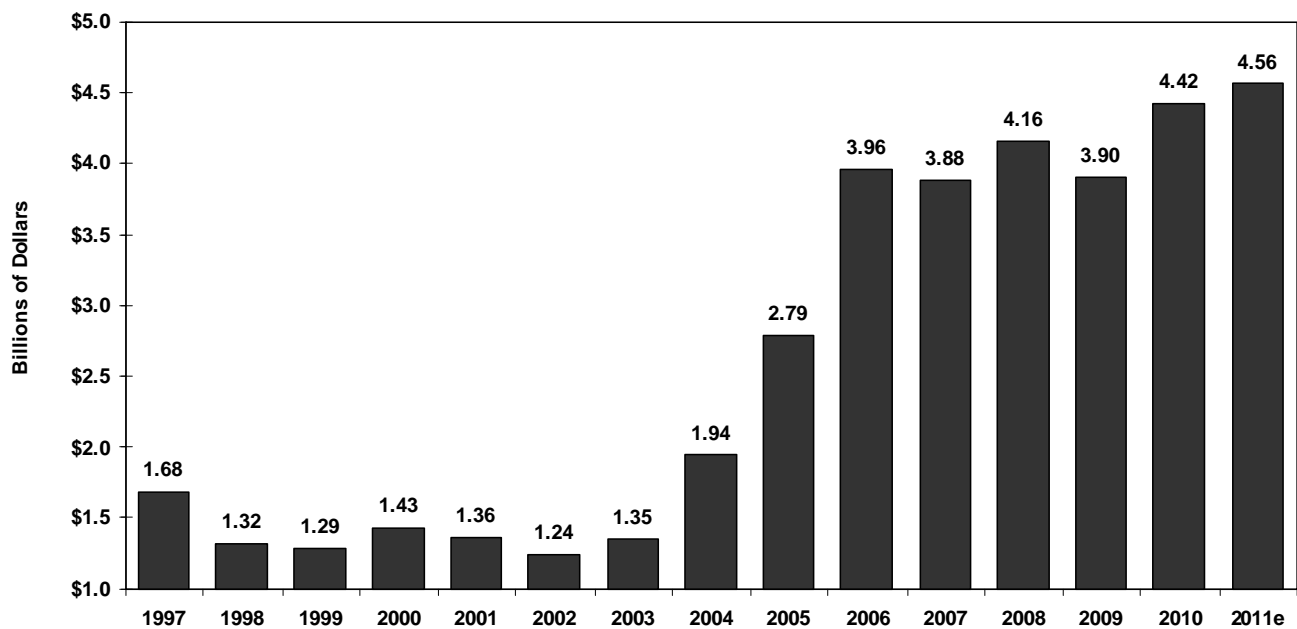
The value of mineral industry sectors in this preliminary assessment includes base metals (57%), industrial minerals (26%), precious metals (16%), and uranium (1%). The value for all sectors except base metals increased in 2011. The 4% decrease in base metal values can be attributed primarily to a substantial decrease in copper production that a moderately higher unit price could not offset. Copper typically constitutes over 60% of base metal values, so the decrease significantly impacted this sector and the total nonfuel minerals value. Production for most industrial minerals increased in 2011 as did many prices, allowing the group's value to increase almost 39%. Sulfuric acid, a by-product of copper smelting, was not previously tracked, but even without tracking the acid, industrial mineral values were about 25% higher

in 2011. Gold and silver production decreased markedly, but large price increases contributed to an overall value increase of about 13% in 2011. The uranium price in 2011 was about 37% higher than 2010 resulting in a 28% increase in value despite slightly decreased production.

### 2012 Outlook

About 70% of the companies surveyed for this assessment plan to duplicate 2011 production in 2012 and nearly 20% project slight to moderate increases. Only 10% of producers plan diminished production. Consequently, the overall economic value of all mineral commodities in 2012 will be strongly dependent on prices. As a group, production of base and precious metals (about 73% of the total non-fuel mineral value in 2011) will probably remain fairly stable. The aggregate price for all metals in 2012 will likely be similar to 2011, so the value of these commodities will probably not change significantly. Industrial mineral companies generally expect to mirror 2011 production, although increased construction might provide a boost. Prices for most industrial minerals will probably remain relatively stable in 2012, so overall value for this group will likely remain flat. If uranium production and prices (currently well below the 2011 average) remain stable as predicted, uranium values will decrease in 2012. Therefore, the relative stability in production and price for most non-fuel mineral commodities predicted for 2012 suggests that the overall value will not change significantly compared to the previous year.

Figure 27  
Total Annual Value of Utah's Nonfuel Mineral Production



Source: U.S. Geological Survey; estimate by the Utah Geological Survey e = estimate

## Tourism

### Overview

Utah's travel and tourism sector had a positive year in an economically uncertain 2011. Regional and in-state travel was an estimated 20.2 million people, up 4.2% in 2011. The Utah ski industry experienced the second best season on record with 4,233,064 skier days.

During 2011, for the sixth year in a row, national park visitation was up from the previous year, as of November 2011. National park visitation was up an estimated 1.2% or 6.1 million in 2011. State park visitation was up an estimated 1.3% with visitation of 4.8 million in 2011.

### 2012 Outlook

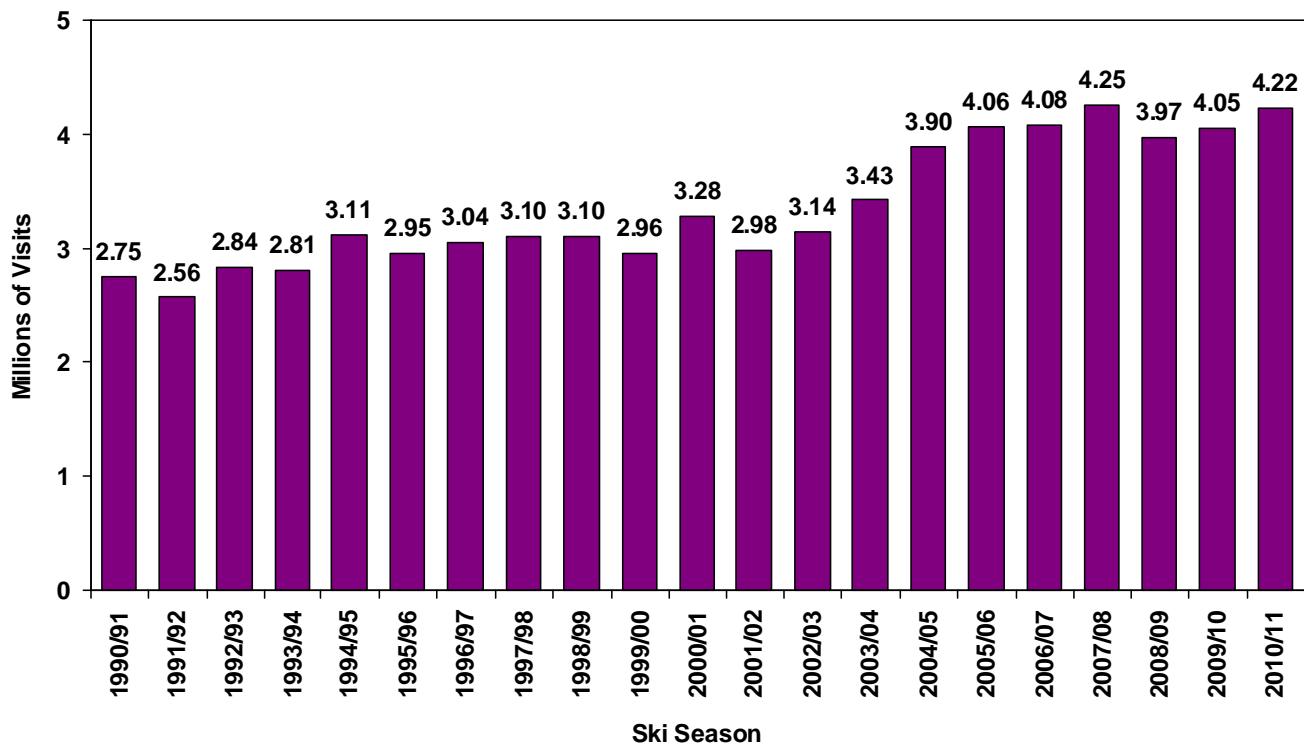
The outlook for 2012 is cautiously optimistic. Travel among in-state and domestic leisure travelers could maintain its current pace, or possibly increase. There are still concerns about

the weak economy, high unemployment, continued housing market weakness, stock market uncertainty, and transportation weakness, but tourism industry experts forecast limited growth nationally in 2012. Utah tourism is expected to show a modest increase in travel. In-state and domestic leisure travel could experience slow but steady growth.

Additionally, travelers continue to show strong interest in national parks, from which Utah should benefit. Several of Utah's resorts again received high rankings from major ski publications and hope to build on the 2010-2011 season.

Competition among nearby destinations for the local and regional markets will continue to intensify. National trends highlight opportunities in key segments of the travel market including adventure travel, cultural and heritage tourism, nature-based travel, and family travel. Utah is well positioned to attract these visitors.

Figure 28  
Total Utah Skier Visits



Source: Ski Utah